

The National

LIFE INSURANCE EDITION

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FRIDAY, NOVEMBER 17, 1933

Managerial Material Wanted

BUFFALO MUTUAL LIFE INSURANCE COMPANY

GEORGE W. CURTIS, President. E. PARKER WAGGONER, First Vice-Pres. and Supt. of Agents.

1872

BUFFALO, N. Y.

In the states of New York and Ohio this 61 year old Company has a few opportunities for good district managers. But frankly, the best managers we have found are those who came to us as agents or local managers. Men who are willing to prove by results that they are "Managerial Material" will find us most anxious to recognize their ability.

Buffalo Mutual Life Policies fit into the present situation and therefore present a very bright opportunity for earnings. Agents work under a liberal first year and renewal commission contract.

Since the tendency of the day is toward INCOME (insurance for self), we have a policy different from most income policies, in that it is paid up before maturity. Here are the features of the Buffalo Mutual

MULTIPLE OPTION LIFE AND ANNUITY POLICY:

1. It becomes a PAID-UP POLICY if desired, in from 13 to 29 years, depending upon age-at-entry, or
2. It becomes AN ENDOWMENT of more than the FACE VALUE at maturity, or
3. It will pay ONE PER

CENT of the FACE VALUE MONTHLY at maturity FOR LIFE, or

4. It becomes a PAID-UP POLICY for the FACE VALUE at maturity and in addition PAYS IN CASH ONE-HALF of the FACE VALUE.

Buffalo Mutual Life is a progressive Company, growing fast, but not so large as to make individual attention and help difficult. We offer 18 policies, listed at the right.

If you feel you are managerial material and are willing to prove it by starting as an Agent, or a Local Manager, write in confidence and detail to: E. Parker Waggoner, Supt. of Agents, Buffalo, N. Y.



Whole Life Special

(Male risks—ages 21 to 55)
A special business man's policy issued for a minimum amount of \$5,000.00 at very low level rates.

Twenty Payment Life Special

(Male risks—ages 20 to 55)
Issued for a minimum amount of \$2,500 for selected risks at lower costs.

Multiple Option Life and Annuity

(Men and women—ages 20 to 60)
A special combination of limited payment life, accelerated endowment and guaranteed income for life. Other options also available.

Ten and Twenty Year Modified Ordinary Life

(Male risks—ages 20 to 55)
A feature policy providing low cost protection on a level rate for ten or twenty year period with a moderate increase in rate at end of period.

Ten and Twenty Year Family Income

(Male risks—ages 20 to 55—10 year plan)
(Male risks—ages 21 to 45—20 year plan)
Provides a stipulated income of 1% of face of policy per month in case of the death of the Assured during the 10 or 20 year period, together with payment of the full amount of policy when income feature ceases. If assured is alive at end of the 10 or 20 year period the premium is automatically reduced by the elimination of the monthly benefit.

Endowment at Age 65

(Men, women and children—ages 15 to 44)
Provides for payment of face of policy at age 65.

Ordinary Life Endowment at 85

(Men, women and children—ages 10 to 60)
Contains all standard provisions.

Twenty Payment Life Endowment at 85

(Men, women and children—ages 10 to 60)
Contains all standard provisions.

Ten, Fifteen and Twenty Year Endowment

(Men, women and children—ages 10 to 60)
Contains all standard provisions.

Special Convertible Term

(Male risks—ages 20 to 55)
Provides low cost protection for expectancy of life with convertible privilege without examination up to five years prior to expiration.

Ten Year Term

(Men and women—ages 20 to 50)
Contains all standard provisions. Convertible within seven years without examination.

Juvenile or Child's Policies

(Ages birth to 10)
Written on the Ordinary Life, Twenty Payment Life and Twenty Year Endowment basis. Payor benefit provision waiving premiums to age 21 of child is available.

Announcing the **IRONSIDES** policy

Now a New Deal
in life insurance!



HERE is a policy which *insures* the insurance
...which enables the insured to carry *more* protection
...and which gives him 3 unprecedented advantages

- 1** Pays its full cash value *in addition* to the full amount of insurance provided in his policy.
- 2** Permits withdrawals, "or borrowing" from its cash value *without payment of interest* and without decreasing the amount of insurance protection.
- 3** May be carried at the full amount of insurance protection in times of financial stress merely by payment of the policy's low fundamental protection rate. Payment of savings accumulations may be deferred without interest charge until it becomes financially convenient to resume these payments.

Occidental Life Insurance Company—with more than 168 million dollars of insurance now in force—has met the challenge of depression years with ever-increasing record-breaking sales. Now, with this unprecedented Family Independence and Savings Policy, Occidental offers the most progressive departure in insurance history.

The modern "Old Ironsides" of life insurance sailing with confidence through the financial storms of life.

**OCCIDENTAL LIFE
Insurance Company**

Old Line Legal Reserve Life—Accident—Health

Home Office, 548 South Spring Street
LOS ANGELES, CALIFORNIA

The National Underwriter

LIFE INSURANCE EDITION

Thirty-Seventh Year—No. 46

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, NOVEMBER 17, 1933

\$3.00 Per Year, 15 Cents a Copy

Predicts Refusal to Accept "Twists"

Frank L. Jones of Equitable, N. Y., Says Agents Must Realize Market Is Being Ruined

THREATENS INSTITUTION

Chairman of Agency Officers Replacement Committee Reports Situation at C. L. U. Gathering

Life companies eventually will refuse to accept twisted business, Vice-president F. L. Jones of the Equitable of New York predicted at a gathering of C. L. U. alumni in New York City. In the meantime the most effective way to stop twisting is for agents to realize that they are ruining their market by indulging in it.

"Not in the 31 years I have been in business have I seen legal reserve life insurance being challenged as it is today," Mr. Jones declared. "And the sad thing is that it is being challenged from within. If this evil is not stopped it will make this business of ours worth mighty little. Don't think that this institution wasn't built up without a fight. It is up to us to carry the banner of legal reserve life insurance."

Reserves Buttress Institution

"The more reserves a man builds up the better it is for him. But if we sell him low cash value insurance he will 'cuss' us when the next slump comes along. And you can't make a living selling only term or low-premium life insurance."

The federal securities act provides a very real threat to twisters or others who sell life insurance misleadingly, Mr. Jones said. He pointed out that while life insurance is exempted from most of the act's provisions, it does come under the provisions relating to misstatement of material facts or omission of a material fact. The latter he regarded as especially important. Not only would guilty persons be subject to prosecution but they would be liable to civil suits brought by those who had been misled.

Inter-Company Plan Successful

Mr. Jones described the progress which has been made through the inter-company agreement to interchange information where insurance is being bought to replace insurance in another company. Companies are living up to it "in magnificent style," he said. The work of the committee on replacement evil, of the Association of Life Agency Officers, of which Mr. Jones is chairman, has been valuable in showing where the replaced business was being rewritten.

The bulk of the business being replaced is going to relatively few companies, reports to the committee indicate. This does not imply, he said,

Limits for Applicants with No Earned Income Discussed

IMPORTANT QUESTION TODAY

Morton of Manufacturers Life in Exposition of Principles at Home Office Underwriters' Meeting

The question of how much insurance to allow an applicant who has no earned income was discussed at the New York meeting of the Home Office Life Underwriters Association this week by A. P. Morton, manager medical department Manufacturers Life, Toronto. He developed his theme under four headings: Dependent female lives, married or unmarried; involuntary unemployed risks; independently wealthy individuals not gainfully employed, and juvenile risks.

In regard to dependent women, he said, there is no indemnity basis for justifying the coverage other than potential deferred earning power in case of young unmarried women, and in case of older dependent unmarried women and married women, the loss to their families caused by last illness expenses and burial.

Yet, he said, companies generally are willing to grant a reasonable amount of coverage to these classes, much beyond that justified on an indemnity basis, providing it is within applicant's ability to pay and obvious speculative features are not revealed.

Warns of Selection Danger

He warned against reaction to the very favorable mortality experienced among female insured lives, with possible lowering of selection standards. He said selection rules should be formulated to guard against a fairly marked degree of anti-selection among dependent women. Amount limits which he recommended are: (1) Dependent females at younger ages, such as college students—an amount reasonably representing the amount of applicant's educational expenses; (2) other dependent females living at home—a purely nominal amount; (3) dependent married women—insist that husbands be insured for at least an equal amount with maximum \$10,000 to \$25,000, depending on family income as developed through inspection sources.

Among the unemployed there are individuals with moderate wealth who lost their positions and are biding their time for an opening, and the other class of more or less industrial grade of unemployed men without visible means of support and perhaps receiving help from unemployment relief plans.

The first class, Mr. Morton believes, is eligible for moderate amounts of insurance subject to careful underwriting. These individuals have potential earning power. Somewhat increased mortality from impairment of health due to mental strain and worry as savings dwindle might be expected. In the

that these companies are any less keen about the plan, but is due largely to agents' activities, and to contracts which lend themselves to such activities.

Northwestern Mutual Will Now Write Female Lives

RATES ARE SAME AS MALES

Some of the Regulations Imposed in Taking Life Insurance on Women Given

MILWAUKEE, Nov. 16.—Effective Dec. 1, the Northwestern Mutual Life will start to write female risks on all ages from 10 to and including 65. Following the authorization by the trustees at its last quarterly meeting, the executive committee has just approved the acceptance of female risks and the special regulations deemed necessary to conservative selection. These regulations, to be announced Nov. 27, will include the following:

The rates for females are to be the same as for males. The maximum amount authorized on a single life is one-half of the male limit at like age, subject to a further restriction to \$5,000 in the case of women who are financially dependent. Limitations as to plans are the same as for male lives of like age except that term insurance and disability (premium waiver) benefits will be granted only to self-supporting business and professional women. Disability waiver of premium on life and endowment forms is limited to policies up to \$50,000 issued to self-supporting business and professional women to age 50; this benefit to expire at age 60. The extra premium for this waiver of premium will be double the rate charged for male risks.

The details are contained in an announcement made of authorization and approval of the plan to accept female risks by Grant L. Hill, director of agencies, in a wire to general agents.

other class, however, termination rates and mortality may be expected to be abnormally high. Mr. Morton suggested that companies refuse to issue where the applicant is in receipt of direct relief or has received relief within the last three months. In other cases unless applicant's outlook appears extremely favorable, only \$1,000 or \$1,500 should be accepted on the understanding that delivery of policy is to be made against receipt of first premium in cash.

The question of insuring independently wealthy individuals not gainfully employed often has been discussed. One view is that if the applicant is in sound financial position, almost any amount of insurance is justified within his ability to pay after making reasonable allowance for living expenses.

Mr. Morton does not consider this line of reasoning entirely sound, as he says assured's estate should not be increased by untimely death to a considerably greater extent than it probably would have been increased during his normal lifetime had he lived. Mr. Morton believes the further underwriters depart from an approximate indemnity basis, the more likely they are to run into anti-selection.

Risks insured greatly in excess of re-

(CONTINUED ON PAGE 15)

Better Chance for Real Reinsurance

Companies Express Interest in Buying Business of National Life of Chicago

ACCEPT BIDS TO NOV. 28

Spirit of Cooperation Evidenced by Lunch With Receiver Lucey as Host to General Agents

Events of the past week have developed much better prospect that a company may come forward interested in outright reinsurance of the National Life, U. S. A., of Chicago, whereas until a few days ago there seemed little prospect that any company would be interested in more than assumption of business in force under a management agreement.

As a result of definite indications of interest in new quarters, Superior Judge Lindsay of Chicago has extended the time limit for filing bids for the business from Nov. 14 to 10 a. m. Nov. 28. This order covers proposals not only for reinsurance, but also for rehabilitation or reorganization.

Ten Groups Interested

There are at least four companies and upwards of six groups of interests which are considering making proposals, according to Receiver P. J. Lucey. However, the court's requirement that every bid be accompanied by a certified check for \$25,000 as evidence of good faith is calculated to discourage any but the more substantial interests.

The order was entered on petition of the receiver, who explained this week that it seemed advisable to encourage a greater number of bids so there might be broader range of selection for the policyholders' interests. Also, little time had been afforded for preparing bids.

General agents and agents of the National Life, U. S. A., are being given a much more definite place in the picture than they have been accorded in most failures.

Receiver Host to Agents

Receiver Lucey was host Tuesday at a lunch in Chicago to a group of representative former general agents of the company.

The general agents, it is reported, are planning to draft and propose a method of mutualization.

Among those present were W. A. Miller, Berwyn, Ill., for northern Illinois; A. B. Combs and B. W. Combs, Portland, Ore.; C. A. Mooney, Cleveland; J. S. Barrow, Kansas City, covering Kansas; R. C. Gibson, Vincennes, Ind.; J. P. Farmer, S. C. Cyzio and W. F. Warrick, all of Chicago. Walter E. Webb, former executive vice-president of the company, who is remaining under the receivership to lend a helping hand, also was present.

Interests of the general agents and agents were discussed amicably and the

(CONTINUED ON PAGE 17)

Sharp Criticism is Made of Illinois Bankers Life

STATE DEPARTMENT REPORT

**Insurance Director Declares Officers
and Directors Must Appreciate
Their Trust Relationship**

Sharp and detailed criticism of the officers and directors of the Illinois Bankers Life of Monmouth, Ill., is made by Director of Insurance Ernest Palmer in approving the report of examination of that company by the Illinois department. "If they are to continue in charge of the affairs of this company they must become more fully cognizant of the fact that they are administering trust funds belonging to the policyholders of this company," declared the commissioner.

Reimbursement of the trust fund of the association by the legal reserve company is ordered on several items. Payment of a dividend of \$25,000 to stockholders in September, 1932, is severely criticized. The four executive officers who are drawing \$72,000 a year are ordered to draw not more than \$50,000. A loan of \$200,000 by the Illinois Bankers to the Lincoln Securities Company in 1930 is analyzed as highly improper. The general counsel of the life company had been for several years a paid attorney of the Securities Company and according to the report of the examiners, the collateral was not equal to the securities sold in order to make the loan.

Criticism of Transactions

Organization of the Trust Company of Chicago, into which the life company put \$225,000 in cash and securities, is another transaction that is criticized. Loans to relatives of the principal officers and to employees it is said should not have been made. The deposit in the Monmouth Trust & Savings Bank is ordered reduced to a maximum of \$50,000. Purchase of securities in default either as to principal or interest is forbidden in the future. Purchase of bonds or stocks not listed on a principal recognized exchange is forbidden unless quotations are secured from at least reputable bond or brokerage houses.

Took Over Assessment Company

The company examined, the Illinois Bankers Life Assurance, was incorporated in 1929 and licensed Oct. 14 of that year. It began with \$100,000 capital and \$50,000 surplus paid in. The capital was increased to \$200,000 by Feb. 6, 1931, the additional capital being sold at par to stockholders.

The organizers were all directors and officers of the Illinois Bankers Life Association, which was organized in 1897 under the Illinois assessment act.

In November, 1929, the department approved a contract of reinsurance whereby the legal reserve company reinsured all of the business of the assessment association and took over all of its assets and liabilities. The admitted assets at that time were \$8,033,753 and liabilities \$1,502,577, but of course the assessment company had no policy reserve liability.

Contract for Conversion

On Feb. 28, 1930, the legal reserve company entered into a contract with the American Conservation Company by which the latter should receive 70 percent of all first year's premiums paid by all members transferring to legal reserve form and 80 percent of all first year's premiums on new business written or additional or increased insurance secured from assessment policyholders, with 7½ percent renewal on new business for four years and 5 percent for the sixth year. The contract required the conservation company to produce at least \$500,000 of new business and

Has Florida Post



W. ROGERS PRIMM

W. Rogers Primm has been appointed general agent of the Ohio National Life at Miami, Fla. He started as a salesman for the Phoenix Mutual in February, 1919, and after having served that company for three years he became state manager in Florida for the American Life of Detroit.

additions or increases among the assessment members each month during the life of the contract, and to transfer not less than \$5,000,000 of insurance each month to the legal reserve plan for a period of not less than 16 months.

Liens Cover Cost

Liens were placed on policies converted on the basis of original date and age. These liens consist of the appropriate terminal reserve, plus one gross annual premium. This premium charged in the lien, however, is not applied to pay the policyholders' current premium, it being a charge imposed to take care of the cost of transfer to the legal reserve plan. Current premiums at the time of transfer are collected in cash on the quarterly, semi-annual or annual basis.

The reinsurance contract provided for allocation of certain expenses between the trust funds taken over and the legal reserve company. The voluminous report goes extensively into the equities of the operations between the trust funds and the legal reserve company's own assets.

Financial Exhibit Is Given

The examination covered the period Dec. 31, 1928, to Dec. 31, 1932. The total admitted assets on the latter date were \$17,646,635. Total liabilities except capital were \$17,169,356. Capital was \$200,000 and unassigned funds (surplus) \$277,279.

The principal items of assets were as follows: Book value of real estate, \$1,132,987; mortgage loans on real estate, \$3,788,373; collateral loans, \$341,500; policy loans, \$9,303,856; book value of bonds, \$2,156,590; book value of stocks, \$380,826; cash in office, \$636; deposits on interest, \$369,829; bills receivable, \$13,172; agents' balances, \$8,019; county warrants, \$7,025; interest and rents due and accrued, \$1,244,128, of which interest on premium and policy loans and liens was \$1,039,142; uncollected and deferred premiums, \$401,756; miscellaneous, \$7,909.

Assets not admitted are \$1,509,972, consisting of policy loans in excess of net value, \$566,878; book value of real estate, over market value, \$106,521; collateral loans in excess of 90 percent of value of securities \$94,737; book value of bonds in default, over market value, \$332,191; book value of bonds not in default over amortized value \$16,500; book value of stocks over market value, \$293,043, with some other items.

Broader Rehabilitation and Liquidation Powers Sought

MISSOURI LEGISLATION UP

**Investment Supervision Measures Are
Approved by House—Seek to Ex-
tend Superintendent's Authority**

JEFFERSON CITY, MO., Nov. 16.—In his supplemental call to the Missouri assembly in special session, Governor Park paved the way for the introduction of the two bills prepared by counsel for the Missouri insurance department which will give the superintendent greater powers in the rehabilitation and liquidation of defunct insurance companies.

The bills provide six new grounds for receivership or rehabilitation actions, largely copied from the New York rehabilitation act. They further provide that upon the filing of a petition and the hearing in court relative to the facts alleged, the court shall give a judgment dissolving the insurance company. This provision of dissolution is intended so that the insurance department can take advantage of the statute vesting title to assets of an insolvent insurance company in the superintendent of insurance. In view of a supreme court decision in Relfe vs. Rundle, 103 U. S. 222, this apparently eliminates the possibilities of ancillary receiverships in foreign states against Missouri insurance companies being finally sustained by the courts.

Change Rehabilitation Measure

A new rehabilitation section provides that, if the court directs the superintendent to rehabilitate an insurance company, the title and right to possession of the company's property shall vest in and pass to the superintendent and he shall forthwith proceed to conduct the business and take all proper steps to remove the causes and conditions which have made the receivership necessary.

There is also a provision that in the event of either liquidation or rehabilitation the superintendent, subject to the approval of the court may reinsure the risks of the impaired company.

The second new bill drafted by the department provides that whenever a company is being liquidated or rehabilitated and the superintendent deems it necessary or advisable to reorganize it as a mutual company he may suspend the present requirements of the statutes pertaining to the organization of a mutual company. The statutes now provide that a mutual company must have \$100,000 before it can be authorized to do business, and it is also necessary that there be a publication of a notice of organization over a period of four weeks. The present statutory requirements make it practically impossible to organize a mutual company to succeed a defunct company.

Attorneys for the insurance department believe that the proposed bills will eliminate the cause of so much uncertainty that now exists under the present receivership statutes.

Approve Investment Measure

The Missouri house without a dissenting vote perfected the administration's bill providing for stricter regulations to govern the investments of life companies organized under Missouri laws. The measure would prohibit a company from buying or loaning money on the stock of another company and also provides that not more than 10 percent of the capital and surplus can be loaned on a single piece of real estate or invested in a single loan. Corporation bonds must have a five year record of no default in interest to become an investment for insurance companies.

The life insurance sub-committee

New Production in Slump of 1.9 Percent During October

DROP FOR YEAR 16.5 PERCENT

**Greatest Reduction Occurs in Group,
Industrial Hit Least by Eco-
nomic Conditions**

New life insurance production for October was 1.9 percent less than for October, 1932, according to the Life Presidents Association. Industrial insurance, for the third consecutive month, gained over the corresponding month of last year, showing an advance of 7.3 percent for the first ten months. The cumulative total for all classes was 16.5 percent less than for the same period of 1932.

The October total production of \$657,362,000 contrasts with \$670,039,000 for October 1932, a reduction of 1.9 percent.

Results by Classes

New ordinary insurance amounted to \$418,990,000 against \$433,118,000, a reduction of 3.3 percent. New industrial amounted to \$212,452,000 against \$198,053,000, an advance of 7.3 percent. New group was \$25,920,000 against \$38,868,000, a reduction of 33.3 percent.

For the first ten months of the year, the total new business of these companies was \$6,416,297,000, against \$7,683,736,000 last year, a reduction of 16.5 percent. New ordinary amounted to \$4,232,266,000, against \$5,023,149,000, a drop of 15.7 percent. Industrial amounted to \$1,924,001,000, against \$2,137,521,000, a slump of 10.0 percent. Group amounted to \$260,030,000 against \$523,066,000, a reduction of 50.3 percent.

Favor Inheritance Law Changes

JEFFERSON CITY, MO., Nov. 16.—The Missouri house judiciary committee has reported favorably a series of bills practically doubling the existing Missouri inheritance rate. The measures also sharply reduce the exemptions granted to beneficiaries, a widow from \$20,000 to \$10,000 and children from \$5,000 to \$1,000. The proposed new rates would range from 2 percent on the first \$20,000 to 60 percent on all over \$400,000 in excess of exemptions. It has been estimated the new bills would net the state from \$4,000,000 to \$5,000,000 additional revenue annually if passed.

Van Schaick to Bermuda

G. S. Van Schaick, New York insurance superintendent, sailed for Bermuda to enjoy a well deserved vacation.

while deeming Missouri house bill No. 19 not objectionable expresses the belief that the requirement for the maintenance of reserves on a market value basis is too stringent in view of the action of the National Convention of Insurance Commissioners in setting up convention values for securities held by insurance companies. It would amend the bill to permit the superintendent to use his discretion in permitting convention values.

The sub-committee reported favorably on the bill requiring the superintendent's approval before an insurance company may invest in real estate for its accommodation in the transaction of its business. This bill is intended to limit the amount that a company may invest in a home office building.

The committee suggested that the bill outlining the scope of permissible investment for capital, reserve and surplus funds of life insurance companies be amended so as to make sure that policy loans are included among the recognized investments.

The bill which requires a 10 cent stamp to be placed on each policy of insurance issued was opposed.

Important Topics Before Meeting

Home Office Life Underwriters Association Deals in Timely Questions

DALLAS MADE PRESIDENT

Speakers Discuss Questions That Involve Careful and Intelligent Consideration at Head Offices

OFFICERS ELECTED

President—W. H. Dallas, assistant vice-president Aetna Life.
First Vice-President—F. Phelps Todd, vice-president Provident Mutual Life.
Second Vice-President—Malcolm Adam, assistant vice-president Penn Mutual Life.
Secretary—Leigh Cruess, assistant secretary Home Life.
Treasurer—A. J. Riley, underwriting executive Mutual Benefit Life.
Editor—H. F. Larkin, vice-president Connecticut Mutual Life.
Executive Council—M. J. Koniger, assistant superintendent, bureau of issue Equitable Life of New York; J. B. Mahon, associate actuary Sun Life of Canada; G. E. Rogers, associate manager ordinary issue department Prudential, and H. S. Rust, secretary Union Central Life.

NEW YORK, Nov. 16.—The fall meeting of the Home Office Life Underwriters Association opened on Wednesday with the conference of the occupational committee, under the leadership of its chairman, R. J. Vane, Jr. of Metropolitan Life. This section is engaged in studying the special problems in underwriting created by various occupational risks. One of the outstanding achievements of this group, representing much investigation and research by its members, has been the preparation of a standard classification of occupations for the guidance of underwriting departments.

Effect of Repeal

In all insurance circles a live subject for discussion these days is the effect of repeal of the 18th amendment on underwriting conditions. Experience has shown that those engaged in the manufacture and sale of liquor present an occupational risk from the insurance standpoint and consequently underwriters are now coping with the problem of determining the proper ratings for those who will be so employed after repeal becomes effective.

L. M. Robotham, secretary, life department, Travelers, spoke on "The Varied Phases of Non-Medical Underwriting." The development of non-medical insurance was traced beginning with the Canadian companies which were directed to that field by the shortage of medical examiners, particularly in rural districts, growing out of the world war. Certain American companies introduced variations of the non-medical plan. One was an arrangement whereby existing policyholders were permitted to add to their insurance under certain limitations without new examination. Another was the salary allotment plan which was expected to eliminate to a large extent, as it has, selection of the individual against the company. Subsequently a general non-medical plan was adopted by many American companies.

Much Depends on Agent

Mr. Robotham pointed out that in the successful selection of insurable lives much depends upon the character and training of the agent. Particularly is the character of the agent of primary importance in a plan which undertakes to dispense with the time-tried report of a competent medical examiner and to

(CONTINUED ON PAGE 16)

Return to Fundamentals of Prospecting Urged by Hill

DETROIT, Nov. 16.—A return to the fundamental methods of prospecting and selling is essential to the success of the modern life underwriter, Grant Hill, superintendent of agencies Northwestern Mutual Life, declared at the Qualified Life Underwriters' November meeting. "Take out the old bromides and dust them off, modernizing them if necessary and you will find that a return to the selling methods of years ago will meet present conditions better than the net cost selling that has been practiced so much in recent years," he said. "Prospecting is one of the biggest bugaboos for men who have not yet reached their stride. Most men are willing to work if they know where to go and whom to see. I have never thought that the cold canvass was an intelligent way of selling except as a fill in. The majority of your prospects should be obtained from your friends and your policyholders.

"When a man has signed your application on the dotted line go after him right then for the names of his relatives and friends, pointing out that you would like to do for them what you have done for him in the way of guaranteeing their future. If you call on a man and fail to sell him a policy but have put over some ideas that appeal to him, in many instances he will be in a mood to help you out by filling out some reference cards.

"Because a man has given you several prospects once it does not mean that he has exhausted his list of acquaintances so far as you are concerned. If you get several names when you get his signature, when you deliver the policy suggest that he may have thought of some other friends on whom you

might call in the meantime and give him some more reference cards. Selling a referred prospect is an easier job than selling a cold canvass prospect. You have a reason for calling on him and the mentioning of the name of the man who referred you to him will get you a better hearing than would be the case otherwise. You know something about him in advance, too, and can approach him much more intelligently. When I was writing insurance in the field I sold a large percentage of my business to referred prospects. You can do the same thing.

"Closing the sale is a more difficult phase of the interview today than it has been in the past. At the present time the closing needs to be motivated. I have never believed in backing the hearse up to the door but it will do no harm at all to hold the mirror up to him so that he may see if he likes the reflection. Point out that the losses he has suffered during the depression emphasize the need for protection for his family in case his income was entirely swept away by death. There is nothing new about this method of closing. It is simply one of the fundamentals that we must again bring to the front."

At the outset of the meeting W. B. Collett, Jr., production manager of the M. L. Woodward Agency of the Northwestern Mutual, presented a skit in which he interviewed W. H. Richardson, Ed Lyon and L. D. Burnell, who played the parts of a consistent large producer, a large producer capable of better production and an underwriter who was not getting anywhere. The skit, written by Mr. Woodward, brought out many of the reasons why underwriters succeed or fail.

Peoria Life Goes Down in a Crash

Impairment of the Company Is Shown to Be Over \$3,000,000

FILE RECEIVERSHIP SUIT

Investments Shrank, Which Left It in Frozen Condition—Ugly Charges Against Management

PEORIA, ILL., Nov. 16.—After an extended hearing Judge Niehaus entered an order finding cause for the appointment of a receiver for the Peoria Life, but deferred the appointment.

Two important clauses of the order were stricken by the judge. One called for the immediate sale of the company and the other for an injunction restraining present company officials, agents, etc., from transacting further business.

Interpretation of his order was to the effect that the court was inclined to give the present officers a chance to put the company's affairs in shape under the guidance of a receiver and to give the stockholders a chance to save the company from the sale block.

The long expected petition for a receiver for the Peoria Life of Peoria, Ill., was filed Wednesday before Judge Niehaus of the circuit court there, the impairment according to the Illinois department examination being \$3,282,182. Director Palmer and other insurance department officials were on the ground locally. The bill was filed by the attorney general at the request of the department.

President Parker's Statement

Devaluation of assets by the Illinois department was given as the reason for the receivership action by Dr. George W. Parker, president Peoria Life.

"We were in good shape financially, having more than \$400,000 in actual cash on hand and all death claims paid up to the minute," he said. "There appeared no real reason for the state's stern action. If the same pressure is applied to all companies at this time, few would be found absolutely solvent. Mismanagement and lavish expenditures of funds prior to the recent change in organization may also be charged with the collapse."

When pressed as to criminal action that may result, Dr. Parker was rather reluctant. But he said, "Let the lightning strike where it may." Rumors were rife in Peoria that six or seven heavy stockholders and officials under the May regime are likely to face criminal action.

Bank of Peoria Was Closed

The Bank of Peoria, owned and operated by the Peoria Life, failed to open its doors Wednesday morning, it being closed by the state auditor. This was done in view of the impending Peoria Life receivership. Negotiations had been under way for some time to get the bank out of the wet before the receivership petition was filed for the life company. R. F. C. officials have been on the ground for a couple of weeks. It was known that if the receivership were filed without action as to the bank there would be a run on it and other banks might be involved. It had been suggested to the Bank of Peoria that arrangements be made for other banks in the city to take it over or as an alternative the state auditor would close its doors before the receivership was sought for the life company.

(CONTINUED ON PAGE 17)

Birdshot

At all times there are snipers, some palpably malicious and some obviously ignorant, who turn their popguns upon a great business. And so it is not surprising that in this period of general perturbation a few harmless shot are being aimed at the institution of life insurance. Men and women who know their life insurance—and their companies—are little likely to be seriously concerned, although their justified indignation may prompt them to urge Home Offices to answer the birdshot with a needless battleship broadside.

To newcomers to our business we say that all down the years, from the very beginnings of our business, this sort of thing has been going on, but without the slightest effect on the health, the continued growth, the public confidence, and the vast magnitude of life insurance.

Time enough for the Institution of Life Insurance to answer if and when constituted authority asks for explanations.

THE PENN MUTUAL LIFE INSURANCE CO.

WM. A. LAW, President

Independence Square

Philadelphia

Nylic Annuities

In order further to meet the demand for retirement incomes among men who must also have protection for their families until their policies mature, the New York Life has just issued a new contract called the Annuity Endowment.

This contract provides for an annuity of, say, \$100 a month to start "automatically" at age 65 with an option of \$13,400 as a cash endowment in lieu thereof, and also provides guaranteed values in event of lapse. Provision is also made in this flexible contract for annuities to begin at various optional ages.

Insurance protection for beneficiaries is provided up to age 65. For a \$100 monthly annuity, \$10,000 or the guaranteed cash value, whichever is greater, would be paid at death. The cash value would exceed \$10,000 in the later years of the contract.

For women who want a retirement income without protection for their families, there are retirement, accumulative and immediate annuities. For women who want a retirement income with protection for their families, there is a wide variety of endowment contracts with optional annuities. All New York Life endowment or life policies now being issued offer the insured an annuity under the optional methods of settlement.

The New York Life agent is thus well-equipped with contracts to meet the growing popular demand for life incomes guaranteed by a strong, legal reserve life insurance company.



HOME OFFICE BUILDING

NEW YORK LIFE INSURANCE COMPANY

51 MADISON AVENUE
NEW YORK, N. Y.

Definite Daily Program Is Price of Success, Says Roth

A definite daily program and the will to see it through is the price of successful production, declared L. C. Roth, Buffalo millionaire producer of the Mutual Benefit Life, in a talk on "Thinking Right" to the New York City Life Underwriters Association. Today, he said, most men are interested in life insurance, but a lesser number of men have the ability to pay for it. An agent must organize and adjust his plans accordingly. Three times the number of applications is necessary to maintain the volume of sales secured in the past. Instead of spending too much time reviewing mistakes and becoming dejected by the facts presented by the failures, agents should find out the types of individuals they are most effective with and lend more effort to prospecting in these fields.

Prospecting Important

Prospecting plays an important part in an agent's work, said Mr. Roth, and he must properly select the type of men to call on. An agent's success or failure depends entirely on his ability to prospect, said Mr. Roth. He cited the definition of a prospect given by his general agent, Clay Hamlin: A person who has a need, ambition, health and ability to pay. The majority of good prospects today, he said, are found among men under 40 years of age who were not affected by the stock market crash of 1929. The time has come again for prospecting in the field of business insurance, particularly on replacement values. Income life insurance and all forms of retirement income contracts are also good fields. "Prospecting simplifies itself when we organize our thoughts and ideas and automatically think of people to whom we wish to present them."

Application Essential

Knowledge of the business without application is worth little, said Mr. Roth. "We should have confidence in our ability to reach our objective. One

of the reasons that we do not apply ourselves more consistently is our understanding that the business is hard to write at the present time." But it was not easy to sell life insurance even in 1928 and 1929, Mr. Roth pointed out. If life insurance was easy to sell so that anybody could sell it, the agent's compensation would be diminished accordingly.

Continuity of effort is essential to the success of an agent. Daily records, daily planning, prospect inventory, definite ideas and sales presentations, all contribute to success. "Wherever I find outstanding individuals in the life insurance business I find men who are definitely planning the day's work," said Mr. Roth. "Why don't we all plan ahead? We don't like to. Why don't we call on more people? We don't like to. Usually we do the things we like to do. I believe it is possible to change ourselves and our approaches in planning the work of the day that they will become the things we like to do, and the sooner we do this the sooner we will be on the road to success."

Uses Prospect Inventory

"I have used consistently for a number of years as part of the mechanism of my business, the so-called 'prospect inventory.' I find that to maintain regular monthly production, it is necessary to have at all times, the names of people with whom I have had a preliminary interview and feel confident that I can sell within one month. The totals must always be one-half of my annual quota in both lives and volume. I also believe that the one greatest urge to continued effort is enthusiasm. This of course has been very difficult of obtaining at times but it has always been my experience that wherever there has been enthusiasm in an agency either by reason of an increase in dividends by the company or a new contract issued by the company or a contest appealing to the individuals, there has been a marked increase in business."

Iowa Court Bars Council's Proposed Ouster of Clark

DES MOINES, Nov. 16.—The state executive council was acting without statutory authority when it attempted to investigate the actions of Commissioner E. W. Clark, with a view to ousting him, the district court here holds.

Commissioner Clark asked for a writ of certiorari to review the record of the council in citing him to appear before it and "explain" his actions in connection with a merger of the Modern Brotherhood of America, Mason City, Iowa, with the Independent Order of Foresters of Toronto. He obtained a stay order barring the council from proceeding with its investigation.

The court held that the Iowa statutes do not confer power on the executive council to investigate a state officer and that Mr. Clark was within his rights when he invoked the aid of the courts for protection against an infringement of his legal rights.

Last month another division of the district court issued a mandamus to compel payment of salary to Mr. Clark, which had been withheld by the state comptroller on the advice of the attorney general that Clark was not entitled to the office of commissioner. The comptroller appealed to the Iowa supreme court, where the matter is awaiting decision. In the interval no salary has yet been paid Mr. Clark from Aug. 1.

The State Farm Life, Bloomington, Ill., has been licensed in Alabama. N. Eric Bell is the designated agent in that state.

Hobbs of Kansas Criticised by Federal Judge Pollock

KANSAS CITY, KAN., Nov. 16.—Insurance Commissioner C. F. Hobbs of Kansas came in for some criticism by Judge Pollock of the federal court here when he failed to appear as defendant in actions brought against him by the Bank Savings Life and the receivers for the Royal Union Life.

The Royal Union Life receivers are seeking to have Mr. Hobbs turn over the assets and securities of the company. The Bank Savings Life is seeking to have Mr. Hobbs deliver mortgages and notes to farmers who are attempting to obtain loans from the government under the terms of the federal loan act. According to attorneys for the Bank Savings Life, Mr. Hobbs has consistently refused to turn over the papers to farmers, even when the farmers have appeared with money to liquidate them. It is alleged that he is taking undue advantage of the company.

Valuations Committee to Meet

NEW YORK, Nov. 16.—The valuations committee of the National Convention of Insurance Commissioners has set the date of its meeting in New York City, Nov. 22, when the work on the formula for the Dec. 31 financial statement will be discussed.

W. T. Chappelle, agent of the Kansas City Life in Kentucky, wrote \$80,000 business during the first 80 days with the company.

Many Life Sales Records Established in October

A gain of 43 percent in net paid-for sales in October over September was scored by the Union Central Life. October's applications increased 29 percent, the best record since January. October was largest month for paid-for business since December, 1932.

The Union Central's branches in October were led in production by the C. B. Knight agency of New York with an increase of more than \$500,000 in net paid-for business over September. The J. P. Devine home office branch was second with a 53 percent gain. The H. A. Zischke Chicago agency was third with a 100 percent increase in paid business. The T. H. Daniel Atlanta agency was fourth with a 46 percent increase.

The greatest increase in business was recorded by the Union Central in the second half of October. Applications for that period almost doubled the total received during the first two weeks of the month.

Six Union Central agents wrote \$100,000 or more in October: J. E. Harper, San Antonio, was first with \$211,648; E. V. Reed, Wichita, had \$120,200; J. C. Sebastian, Cincinnati, \$117,200; M. G. Gordon, New York City, \$110,000; J. P. Devine, Cincinnati, \$105,200, and S. G. Marean, Cincinnati, \$101,453.

The increasing income policy recently announced by the Union Central Life was responsible for a large percentage of the increase.

The Texas Life of Waco shows that its new business in October was 118 percent more than the similar month last year. Its September business was 98½ percent more. Its new business to date is 45 percent greater than for the same period last year. The company thinks that November will be a record-breaking month. The Texas Life is the oldest Texas legal reserve life company. There are only 55 companies in the country older than the Texas Life.

H. G. Hewitt, Texas manager of the Northwestern National Life, reports an increase of 46 percent for October over October, 1932.

The A. J. Hill California agency of the State Life of Indiana wrote the greatest amount of new business in October that it has written in any month since last December. California led all the company's agencies. S. H. Covell, Los Angeles, led in personal production with 45 applications.

October sales of the Wagner & Fuller Los Angeles general agency for the Ohio National Life, were the largest in its history.

The Brust & Von Breton Los Angeles agency for the Guardian Life is now considerably ahead of last year in production.

H. S. Standish, Los Angeles manager for the Sun Life of Canada, reports a 25 percent sales increase in October compared to October, 1932.

The Southeastern Life of Greenville, S. C., reports October was the second largest month in its history in point of business received. The number of ordinary applications written was 57 percent greater than in any previous month. During each month of this year examined ordinary business has shown an increase over the corresponding month of 1932. October was the 28th anniversary month.

W. E. Knepley of Charleston, S. C., was the outstanding star in October with 93 applications.

G. W. Schoeffel, manager home office branch of the Oregon Mutual Life, in-

creased its paid-for business for October 32 percent over a year ago.

October was the best month so far this year for the Minnesota Mutual Life.

Ohio National Life field men produced approximately \$3,500,000 and set a record in October, which was President T. W. Appleby month.

The annual drive in honor of President R. P. Davison of the Liberty National Life in October produced the largest amount of sales in any month for more than three years, showing an increase of 50 percent over October, 1932, and an excess of 23 percent over assigned quotas for the month. Sixty-four agents qualified for the President's club as against 32 last year.

The central branch of the New York Life in Chicago closed October with a record of seven successive months in which more applications had been received each month than in the month previous. There were 393 applications for \$1,046,289 written in October as compared with 374 apps for \$813,900 in September. The agents' enthusiasm is

being stimulated by publication of "Central Branch Items," of which J. S. Fredrickson and Arthur Peterson, agency organizers jointly in charge of the branch, since Supervisor of Agencies J. A. Campbell died, are the editors.

Postal Union Life Expanding

New California Company Announces Extension of Operations to Hawaii and Arizona

The Postal Union Life of Hollywood, which recently took over the Pacific States Life business in California, announces the launching of operations in Hawaii and Arizona, as well as in California. H. S. Hayward will be in charge in the Hawaiian Islands. Accident and health business will be handled by T. E. McCullough in Arizona.

F. M. Shallue is president of the new company; R. N. Stevenson, vice-president and general manager; Harold D. Kelly, secretary-treasurer; W. A. Munster, actuary, and E. C. Hall, accident and health manager. W. E. Branch has just been appointed medical director and J. W. Logan home office represen-

tative. He was formerly with the Pacific States Life, and also was with the Occidental Life for a number of years.

President Shallue says that the company expects to reinsure the California business of a number of eastern companies whose operations in the state are not profitable, due to the long distance from their home office and the prohibitive cost of maintaining a selling and service operation.

Hoey Revenue Collector for Southern New York

President Roosevelt has appointed James J. Hoey of the New York insurance firm of Hoey & Ellison, collector of internal revenue for the southern district of New York. Prior to engaging in the agency line in 1921, Mr. Hoey was vice-president of the America Fore companies, and before that was deputy insurance superintendent of New York.

He has long been a power in the Democratic party in the Empire State. In addition to representing a number of strong fire and casualty companies locally, Hoey & Ellison are general agents for the Equitable Life of Iowa.

OCTOBER SETS RECORD

N^WNL's new business for the first ten months of 1933 substantially increased over the corresponding period of last year, the October business having been larger than in any previous October in the 48 years of Northwestern National Life's existence.

**NORTHWESTERN NATIONAL
LIFE INSURANCE COMPANY**

G. J. ANDERSON, President

STRONG - Minneapolis, Minn. - LIBERAL

Shenandoah Life's Head Taken by Death at Roanoke

ACTIVE IN MANY PURSUITS

Devoted the Last Eighteen Years of His Life to the Insurance Company

President R. H. Angell of the Shenandoah Life of Roanoke, Va., died Sunday at his home in that city. He had been forced to limit his business activities for some months due to failing health but his condition did not become critical until Saturday midnight. Owing to high blood pressure last summer he spent three months at Craig Healing Springs and his condition showed decided improvement.

End Came Following a Strike

He returned to Roanoke in September and gave up some of his business activities. The Monday previous to his death he was ordered home from his desk in the Shenandoah Life office. He voted the next day and then remained at home. He suffered two strokes. Fu-

neral services were held at the First Baptist church. He is survived by Mrs. Angell, five sons and a daughter.

He was 65 years of age, having been born in Franklin county, Va., Jan. 25, 1868. He went to Roanoke in 1886 and got employment in a brickyard. He became interested in a number of activities and became a member of the firm of Huff & Angell, brick manufacturers. In 1910 he organized the Virginia Lumber Manufacturing Company in Roanoke and the Lynchburg Manufacturing Company in Lynchburg. He also purchased the plant of the Century Manufacturing Company in Roanoke. He was president of the Colonial National Bank and later chairman of the board of the Colonial-American National Bank. He was president of the Liberty Trust Company. He was active in founding the Shenandoah Life in 1915 and was chosen its president at the start. For the last 18 years he had devoted the greater portion of his time to this company.

Takes the Indiana Debit

The Empire Life & Accident of Indianapolis has taken over the Indiana debit and industrial business of the American Bankers of Jacksonville, Ill., comprising a debit of about \$1,800 weekly and 60 agents.

AMONG COMPANY MEN

Davis Successor to Phillips

Moore, Call and Franklin Advanced by Pacific Mutual Following Resig- nation of Official

W. H. Davis, has been elected executive vice president of the Pacific Mutual Life to succeed Lee A. Phillips. Mr. Davis is well known, having been with the company since 1905. He has served as its general counsel since 1909. Mr. Phillips resigned on the advice of his physicians.

D. E. C. Moore, vice-president and assistant counsel, has by action of the Directors been elected vice-president and assistant to the president. Mr. Moore has been in the company's employment since 1910. Since 1919 he has been connected with the legal department.

To fill the vacancy in the office of general counsel caused by the promotion of Mr. Davis, Asa V. Call, a member of the board of directors and prominent Los Angeles attorney, has been elected vice-president and general

counsel, and also a member of the executive committee. Mr. Call is one of the outstanding younger attorneys, practicing law in Los Angeles since 1914. He is also secretary of and a member of the board of trustees of the University of Southern California and past president of the general alumni association of that university. He is a member of the boards of several prominent Los Angeles corporations.

Blake Franklin, junior vice-president and assistant counsel, has been appointed junior vice-president and assistant general counsel. He has been giving the company excellent service in its legal department since 1912, prior to which time he held an important position as attorney for the federal forest service.

New City Loan Manager

The Northwestern Mutual Life has appointed Karl G. Probeck, recently of Cleveland, manager of city loans to succeed W. E. Griswold, who recently retired owing to failing health. He has had 15 years' experience in that field and lately has had charge of all of the real estate of the Guardian Trust company of Cleveland.

Harrison on Texas Trip

W. H. Harrison, vice-president and superintendent of agencies of the Atlantic Life, was in Texas this week visiting agencies of the company. He planned to return to the home office by way of Mobile and Birmingham. En route to Texas, he stopped off at Atlanta for a day.

J. B. Southern Is Advanced

J. B. Southern, who has been with the Southeastern Life of Greenville, S. C., for three years, has been elected assistant secretary. He is a graduate of Furman University and was formerly a newspaper reporter in Greenville. President W. F. Hipp states that the liquid position of the Southeastern Life has been improved by \$200,000 during the last four months. Its loan obtained from the R.F.C. has been repaid.

Nicholson with Equitable Reserve

The Equitable Reserve of Neenah, Wis., has appointed E. H. Nicholson resident actuary. Mr. Nicholson is a University of Michigan graduate and received his master's degree in actuarial science in 1925. He was in the actuarial department of the Lincoln National Life from 1925 to 1927 and with the Inter-Southern Life as first assistant actuary and as assistant to the executive vice-president from 1927 to 1931. The last two years he has been with Froggatt & Co., consulting actuaries of New York City, and with the Michigan insurance department.

C. L. U.

With J. Boyd Davis, Penn Mutual, as the instructor, the C. L. U. class at Columbus, O., held its first meeting this week. About 25, including several agency managers, are taking the course.

* * *

The C. L. U. chapter of Boston at its annual meeting elected J. V. Griley, Connecticut General, president; R. F. Walter, unit manager for the Equitable Life, of New York, secretary; and Corinne V. Loomis, treasurer. The chapter gave its endorsement to the survey course which is being given every Wednesday at 4:00 P. M. in the Paul Clark agency class room at 1 Federal St.

The following new superintendents have been appointed by the Western & Southern Life: E. W. Price, Detroit; Howard Travis, St. Louis; John Evans, East St. Louis; Michael Byrne, Erie.



ORGANIZED SELLING METHODS

Effective, tested methods of telling a convincing story have now been developed for Minnesota Mutual Field Men to fit several "life situations"—

With us you have a way to find and proceed effectively with

Young Men

Employed Women

Children

Men who have to rebuild their whole program

A Minnesota Mutual representative knows how to keep supplied with such prospects to see—and he knows what to do when he goes to see them.

THE MINNESOTA MUTUAL LIFE INSURANCE CO.

Saint Paul, Minnesota

Columbian National's Head Dies After Short Illness

WAS PROMINENT IN UTILITIES

Arthur E. Childs Had Taken Leading Part in Some of the Foremost Insurance Organizations

Arthur E. Childs, president of the Columbian National Life, died at his home in Boston last Thursday night after a brief illness. He was 64 years old. He is survived by his wife and son, Philip M., who is first assistant secretary of the company. Funeral services were held at the Old South Church in Boston Sunday afternoon. The Association of Life Insurance



ARTHUR E. CHILDS

Presidents appointed the following committee to represent it at the funeral: President G. W. Smith, New England Mutual; President H. O. Edgerton, Boston Mutual Life; E. H. Brock, vice-president John Hancock Mutual; Chandler Bullock, president State Mutual, and M. A. Brooks, assistant secretary of the presidents' organization.

Mr. Child's Career

Mr. Childs was a native of Montreal, having been born there Sept. 16, 1869. He was educated as an electrical engineer and soon became a big figure in New England utilities. He was one of the organizers of the Columbian National Life. He took his degrees at McGill University in Montreal and then took a post-graduate course in mathematics and mathematical physics in Central Technical College. In 1897 he organized the Light, Heat & Power Corporation, which acquired electrical plants in the eastern states. He became its president. At one time he was chairman of the board of the executive committee of the Massachusetts Utilities Association and a director of the New England Power Association. He served as president and trustee of the Massachusetts Lighting Company.

William Butler Woodbridge organized the Columbian National in 1902 and Mr. Childs then became interested in it, being chosen vice-president, and in 1907 was elected president. The Columbian writes life, accident and health and hence he took an active part in all the branches and organizations of the three lines. He served as vice-president of the Insurance Federation of America, president of the International Association of Casualty & Surety Underwriters and was chairman of the Association of Life Insurance Presidents at one of its annual meetings. He at one time was on the governing committee of the Bureau of Personal Accident & Health Underwriters.

Pamphlet on New York Law Is Being Widely Distributed

EFFECT ON PUBLIC ANALYZED

National Association Expected to Disseminate Brochure Nationwide Drafted in New York State Group

UTICA, N. Y., Nov. 16.—A pamphlet of great interest to life underwriters of New York State and of the other 20 states having statutes identical with or similar to New York's 55a of the insurance law and Section 15 of the personal property law, is being released at the meeting here of the New York State Life Underwriters Association.

For both of these sections, the first covering claims against the policyholder and the other, claims against the beneficiary, there is an outline of just what the sections mean to the public, important decisions, together with citations of cases for the convenience of attorneys, and other data attesting the superior importance, in the eyes of the state's lawmakers, of life insurance as protection for dependents.

Being Widely Distributed

The pamphlet is designed to be of value not only to the agent but to all agency or home office employees who come in contact with the public. It is being distributed by local associations in New York State and will probably be distributed through the National Association of Life Underwriters to other associations desiring to be supplied.

The pamphlet was largely written by Albert Hirst, the state association's counsel, and is issued by a committee including George Kederich, Brooklyn, chairman; J. S. Myrick, New York City; Frank Wenner, Utica, president state association and C. D. Connell, New York City, vice-president state association.

The meeting was largely devoted to plans for furthering the work of local associations in the state.

Where the New York State Sales Congress will be held next spring will be one of the questions decided at the meeting here. Since the 1933 sales congress was at Albany, it is considered that next year's gathering will be held in the western part of the state.

Among the New York City representatives at the meeting are Vice-President Connell of the state association; Julian S. Myrick, manager Mutual Life of New York, and George A. Kederich, manager New York Life, both former presidents of the state body; J. M. Fraser, general agent Connecticut Mutual Life and chairman executive committee, New York City association; Lloyd Patterson, Keane-Patterson agency, Massachusetts Mutual Life; W. C. Bawden, brokerage manager, Connell agency Provident Mutual and former executive manager New York City association, and Elles M. Derby, executive manager New York City association.

E. E. Richardson, Jr., special agent Penn Mutual Life at New Orleans, has been appointed field representative in the south of the subsistence homestead division of the U. S. Department of the Interior.

IMPORTANT!

Insurance men interested in increasing their income write immediately.

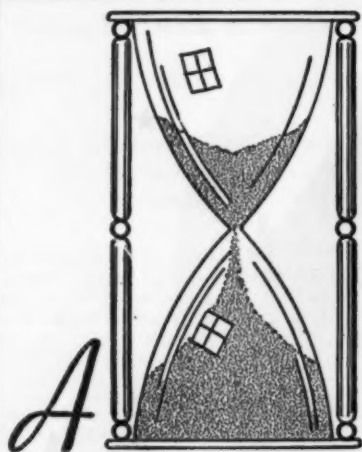
Box X-97
The National Underwriter
123 William Street
New York, N. Y.



"Merchandised SELLING"

... is Union Central's answer to the question every agent has asked himself: "How can I make my prospect see the vital necessity of adequate life insurance even in these times?" Through brief, convincing presentations, supported by sincere, dramatic advertising in leading national publications and over the Columbia Broadcasting System, the prospect is able to see life insurance as something of immediate importance. And the agent sees results in more applications.

The
UNION CENTRAL LIFE INSURANCE
Company
CINCINNATI, OHIO



A Quarter Century

This month the Great Southern begins its 25th year of operation. In November, 1909, the Great Southern was but an idea in the minds of a small group of men—confident, capable, courageous. With a capital of \$500,000.00 and a surplus of \$500,000.00 they embarked upon the great adventure of building sound, sure dependable financial protection for men, women and children.

That they have well succeeded is evidenced by the Great Southern's position among life insurance companies, today. It is the seventh largest in capitalization, has admitted assets of more than \$43,000,000.00 and a surplus protection to policyholders which exceeds legal requirements by more than \$4,750,000.00.

During these years, many features of benefit to the representatives have developed. They have been incorporated in the contracts now being offered to those wishing to represent this company.

Complete details concerning this attractive contract are available upon request to the home office.

**GREAT SOUTHERN
LIFE INSURANCE COMPANY**

E. P. GREENWOOD, President

HOUSTON, TEXAS

Comment on Recent Book on the Safety of Life Insurance

A well informed life insurance actuary in commenting on "How Safe Is Life Insurance," a book recently off the press, makes the following highly illuminating observations:

"Schnitman's book 'How Safe Is Life Insurance?' contains so many half truths, untruths and false deductions that it would take another book to refute them. The author professes to be a statistician. In fact it is stated that he was formerly chief of division of survey of current business in the United States Department of Commerce. Well, let's look at an example of his statistics. On page 108 he claims to compare the passenger death rate of steam railroad travel with that of airplane travel and produces figures which would indicate the relative safety of the latter. Here is the way he goes about the demonstration.

Fallacious Deduction Drawn

"In 1930 the number of people killed by steam railroads was 5,481. Since railroad passengers that year traveled 28 billion miles, he figures that one person was killed for every 5.1 million passenger miles. Before going on to the airplane hazard it will pay to look into this conclusion. The 5,481 deaths involved trespassers, yard men, grade-crossing deaths, and what-not. Only 50 out of the 5,481 were passengers riding on the trains. Since these are the ones in which we are interested for the purpose of computing the hazard of railroad passenger travel, the death rate comes out to be one death for over 500 million passenger miles. Quite a difference!

"In 1930 the committee of the Actuarial Society of America which works in close cooperation with the Depart-

ment of Commerce computed the airplane passenger death rate in 1930 to have been one for every 4.3 million passenger miles flown. In other words, it was well over 100 times as safe to travel in a railroad train in 1930 as it was to travel in a commercial airplane on a regular scheduled flying route.

"Schnitman's conclusion was that airplanes were actually safer than railroads. He does not use the 1930 death rate for airplanes but uses a 1933 figure of one death for every 12.7 million air passenger miles. Where he got this figure is a mystery. The committee of the Actuarial Society which made a report in Chicago last month states that there has been in the last year or two no significant change in the death rate of airplane travel in regular commercial scheduled flying.

Curious Inference Is Made

"Having satisfied himself that airplane travel is less hazardous than railroad travel, he draws the conclusion that life insurance discriminates against airplane travelers because the companies have heavy holdings of railroad bonds and therefore want to hamper the budding airplane industry. Could anything be more preposterous! The only reason why the companies have had to guard against the airplane hazard is the additional death rate.

"One can not but wonder whether this is a sample of the type of service which the Department of Commerce received from Mr. Schnitman when he occupied a position with it. If this is the type of information which he gives us in his own field of statistics just how much reliance can be put upon the deduction which he draws in other parts of his misleading book?"

Remarkable Record Told of Insurance Achievements

BOSTON, Nov. 16.—Last week the Boston Life Insurance Trust Council was host to W. B. Bailey, economist, of the Travelers. In discussing the Reconstruction Finance Corporation he stated that since 1929 it had loaned \$30,000,000 to life companies which amounted to about one-seventh of 1 percent of all their assets. He also pointed out, that during these depression years, the life companies have paid out approximately six billions and that about two-thirds of this amount has gone to living policyholders.

In discussing trusts, and trust companies, Mr. Bailey pointed out, that it was advisable for anyone, with a substantial estate, to leave it with a trust company to handle. He also pointed out, that a man who dies and leaves only a comparatively small estate, that at least one-half should be put in an annuity, and the other half to be invested by a trust company. The sum put into an annuity would serve to bring the income up to a level that would adequately provide for the needs of the deceased's heirs.

It is Mr. Bailey's opinion that thought in this country along lines of individual capital, is rapidly changing to the philosophy of that of Europeans, who think in terms of income, rather than in terms of principal.

In pointing out the showing, that life companies have made over a period of time, the speaker stated, that from 1910 to 1932 there had been only 28 failures of life companies, where there was any chance at all of loss to policyholders. During this period, the country had passed through a tremendous epidemic of influenza; a world war; and two depressions. Notwithstanding this, the American life com-

Life Insurance Counsel Announces Its Program

NEW YORK, Nov. 16.—The Association of Life Insurance Counsel has announced the program for its meeting Dec. 5-6 at the Waldorf-Astoria here. Speakers will be W. H. Eckert, general counsel, Federal Life of Chicago, "The Necessity of Proving Materiality of Representations and Reliance Thereon"; L. A. Hamilton, assistant counsel, Provident Mutual Life, "Liability of a Life Insurance Company to Apply Dividends to Keep a Policy in Force After Default in Payment of Premium"; F. P. McGuire, attorney, Connecticut General Life, "Agency Contracts"; E. M. Nourse, assistant counsel, Bankers Life of Des Moines, "Foreclosures and the Emergency Acts"; A. W. Parker, counsel, Atlantic Life, "Total and Permanent Disability Provisions: Recent Judicial Construction as to (a) Requirements of Notice and Proof, and (b) the Meaning of Permanent"; W. C. Carter of Atlanta, "The Life Insurance Law of Georgia." In addition the program will include a round table discussion on "Some Questions Growing Out of the Acquisition of Real Estate Through Defaulted Mortgages," led by C. P. Johnson, vice-president and general counsel, Western & Southern Life.

New Company at Los Angeles

The Transcontinental Life with head offices at Los Angeles has been granted permit to sell stock in California. Earl M. Leas is president and A. W. Green secretary and attorney for the company which is capitalized at \$250,000.

panies have averaged 5 percent on their invested capital, a most remarkable achievement, he added.

J. S. Smith Elected President by Texas Life Underwriters

MANAGERS HOLD CONFERENCE

Roger Hull Speaks—Discuss Local Association Meeting, Attendance, Membership and Educational Plans

DALLAS, Nov. 16.—J. S. Smith, general agent of the Aetna Life, Houston, was elected president of the Texas Association of Life Underwriters at its annual meeting here. The following vice-presidents were named: R. M. White, Dallas; J. L. Lawrence, San Antonio; Harry Griffiths, Houston; I. P. Russell, Nacogdoches, and W. L. Leavy, Fort Worth.

A managers' conference was held in connection with the annual meeting. R. B. Hull, managing director National Association of Life Underwriters, speaking at both meetings. O. P. Schnabel, San Antonio, spoke on "Planning Attractive and Helpful Meeting Programs," at the association meeting. H. R. Smith, Houston, discussed "Proven Plans for Membership Maintenance and Increase." "Local Association Budgets and Finance" were discussed by H. M. Marks, Fort Worth; "Educational Plans of Local Associations" by J. B. Smith, San Angelo, and "Methods of Promoting Attendance at Association Meetings," by Ross Priddy, Dallas.

Talk at Managers' Conference

At the managers' conference, J. L. Lawrence, San Antonio, discussed "Time Control as a Factor Today"; "Should the Manager Today Train His Agents to Sell Policies or Programs?" was answered by T. D. Taylor, Fort Worth. Other talks were "What Shall We Teach Agents About Prospecting Under Present Conditions?" by D. C. Bintliff, Houston; "What Shall We Do with the Newly Appointed Agent?" J. S. Smith, Houston; "Organized Sales Talks," C. A. Fair, Dallas, and "What New Problems in Selection Has the Depression Brought?" Thad Childre, Dallas.

Cummings Reviews Progress

In his annual report President O. Sam Cummings reviewed the association's progress. In the field of public education open meetings were held in connection with sales congresses. Public education, he said, serves to reassure policyholders concerning their present insurance and creates a favorable disposition towards life insurance upon which agents may build.

Sales congresses have been effective in educating agents. The added efficiency demanded from agents necessitates the careful planning of regular meetings by local associations. Mr. Cummings recommended the adoption of a type of meeting at which the speaker spends half the time presenting the topic, the other half being devoted to discussion. The Texas association showed a gain in membership for the year ending June 30 of 39 more members for a total of 710. The number of local associations increased from 13 to 18.

Enjoin American Life from Offering Any Legal Service

DETROIT, Nov. 16.—Under a consent decree signed by Circuit Judge Jayne the American Life of Detroit is permanently enjoined from having its attorneys draft, or from advertising it will draft, wills, trust agreements, mortgages and similar legal documents.

The decree was granted on application of officers of the Detroit Bar Association, who charged that the company was practicing law in violation of

the statute prohibiting the practice of law by a corporation. Vice-president W. M. Brucker of the American Life, who represented the company, argued that the activities referred to were necessary to carry on its insurance business and did not violate the law.

Judge Tomlinson Dead

Judge W. H. Tomlinson, 71, former superintendent of insurance of Ohio and later for 12 years secretary and general counsel of the Ohio Association of Insurance Agents until his resignation last March, died at his home in Dayton Sunday night. He had been in poor health for several years. He was born in Dayton and admitted to the bar there.

When James M. Cox was elected governor of Ohio, Judge Tomlinson was placed in charge of the newly created blue sky department. From that post he was later transferred to superintendent of insurance under the same governor.

Shepard's Good Increased

Walter T. Shepard, Los Angeles, general agent for the Lincoln National Life, recorded a 20 percent increase in sales in October over September.

Personal "Gold Standard" Is of Great Importance

There never was a time in the history of this country when selling life insurance was so close to patriotism. E. Paul Hutter, manager of sales training Penn Mutual, stated in his talk on "Will the Middle Class Survive?" at the sales congress in Peoria, Ill., put on jointly by the Peoria Association of Life Underwriters and Illinois Association of Life Underwriters.

Mr. Hutter considers that this service today is one of devotion to country in time of trial, disappointment and defeat.

There has been much talk, Mr. Hutter said, of the gold standard and gold content of the dollar. Business men have been gravely apprehensive and the question has caused serious dislocation of trade. He said the real issues have been only indirectly concerned with the metallic content of the gold dollar and its value.

Every individual "has within him a personal gold standard measured in terms of courage, fortitude and industry in face of difficult problems, which rejects resignation as a philosophy of

life and confronts obstacles with assurance," Mr. Hutter said. The graver danger in this country which the people face and will continue to face is not that the government has gone off the gold standard, but that the people will go off their personal "gold standard."

Selling Conditions Differ From Those of Volume Days

President Chandler Bullock of the State Mutual Life in a recent agency conference said that it is futile to compare post-war and present selling conditions. He said that an analysis would show that the conditions which brought about the volume production proved that over production took place and now the readjustment period is on. He thinks that if any comparisons are to be made they should be based on normal periods such as the early part of 1914. Mr. Bullock in commenting on his own company said that the decrease in surrenders and loans, the liquidity of the assets, the favorable balance of income and disbursements and the fact that in number of lives insured the company is close to normal, are all good omens for the future.

SECURITY

The FIRST Consideration

IN underwriting it has been fundamental "L-M-C" policy to accept only sound risks. In investing assets first emphasis has been placed on safety of principal.

Today, with 70 percent of invested assets in cash, United States Government and selected municipal bonds, this leading mutual casualty carrier is providing that extra margin of safety and protection that the careful insurance buyer demands.

LUMBERMENS MUTUAL CASUALTY COMPANY

James S. Kemper, President

MUTUAL INSURANCE BUILDING

CHICAGO, U. S. A.

Represented by leading agents throughout the country.

THE NATIONAL UNDERWRITER

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Significance of Insurance Week

SO-CALLED "Insurance Week," which has now been established, evidently becomes a permanent institution. The life insurance fraternity felt that "National Thrift Week" in January did not give the opportunity to life insurance men they desired, coming as it did so soon after the end of the year when many agents make a big drive for business. "Life Insurance Day" was a part of the calendar of "National Thrift Week." Now we have an entire week given to life insurance, when it is featured prominently in different ways.

This year the chairman is HENRY E. NORTH, second vice-president of the METROPOLITAN LIFE, who has become a national figure in life insurance through his many addresses before life underwriters' associations and other gatherings. Mr. NORTH has taken a genuine interest in the problems confronting field workers. His interest in the cause is sincere. Being of a resourceful mind, we will look forward to some effective campaigning in preparation for the big week, the possibilities of which were demonstrated this year.

Interest in Mutualization Project

IT WILL be an interesting experiment to watch the progress made by the new mutual company that takes over the defunct ROYAL UNION LIFE. Failed legal reserve companies have to be dealt with and the basis for any plan should be the highest welfare of the policyholders. There are earnest advocates of the mutualization plan and others feel that policyholders can best be taken care of through the machinery of another company and preferably by a management contract whereby the assets of the failed

company are segregated and worked out to the best advantage. Inasmuch as there has been no experience dealing with a company of any consequence it is perhaps difficult to pass judgment and say what is the preferable plan. There is danger of selfishness and greed entering into projects at the expense of the policyholders who will lose enough as it is. What is needed is the most efficient and economical method to give the greatest amount of return to the policyholders.

Gilliom Record an Inspiration

IN these days of decreased production and many discouragements, up and down the line for the hard working field men, there is inspiration to be found in the remarkable record of O. F. GILLIOM of Berne, Ind., general agent of the LINCOLN NATIONAL LIFE. He resides

in a town of less than 1,800 people and his policyholders are in Berne and thereabouts. Yet he has kept up a record for over 19¼ years in producing an application a week. That record could only be achieved by honest, faithful and consistent hard work.

Creditors Adopt Novel Plan

LIFE insurance agents have not been "sold down the river" to the same extent as the fire men. Scores of local fire and casualty agencies are in the hands of committees, under an arrangement that amounts to an informal receivership.

The MERCHANTS ASSOCIATION of Tucson, Ariz., has just completed an arrangement for creditors of a life agent that is a good deal of a novelty. The

association has secured the assignment from the agent of his renewals with one of the big companies, valued at about \$4,000 and coming in at the rate of about \$65 per month. A pool has been formed of his total indebtedness, with the understanding that dividends will be declared as a 10 percent amount of the pool is paid, dividends not being issued for less than the amount of \$1. There are many ways to skin a cat.

PERSONAL SIDE OF BUSINESS

J. M. Ward, for 10 years an agent of the Phoenix Mutual at Britain, Conn., was tendered a testimonial banquet for his record of 459 consecutive weeks in which he has sold at least three policies a week. He is president of the New Britain chamber of commerce and a member of the board of education.

R. M. Brown, assistant secretary and actuary Continental Assurance, Chicago, was married ten days ago to Miss Mildred Sweet, his secretary. They are spending their honeymoon on a motor trip in Tennessee.

W. H. Jurgensen, president of the Western Union Life of Lincoln, is listed by Nebraska political writers as certain to be a candidate for the Democratic nomination for United States senator. Mr. Jurgensen is serving his first term as lieutenant governor.

E. Jay Wohlgenuth, president of THE NATIONAL UNDERWRITER, failed of election last week in his candidacy for the board of education of Cincinnati by a close margin and after a spirited campaign. He was endorsed by the "citizens school committee," whose slogan is "keep the schools out of politics," and by all three of the local daily papers. Various cross-currents in the local political situation contributed to the result, as the "citizens school committee" candidates usually win. The chairman of this committee is C. R. Wright, a director of the Union Central, and Jerome Clark, vice-president of the Union Central, is on the board of education, having been elected two years ago. Mr. Wohlgenuth had the support of both President Cox of the Union Central and President Williams of the Western & Southern Life, whose endorsements were printed in the press, and he also had the support of the insurance fraternity of Cincinnati.

H. M. Hanson, Springfield, Ill., formerly Illinois insurance superintendent, has bought the stationery department of the Jefferson Printing Company at Springfield, located on Fifth street, and will continue it. H. R. Williamson, formerly state printer, owns the Jefferson Printing Company and the Hartman Printing Company. The Jefferson Printing Company is now moving to the Hartman Company headquarters. The stationery department handles all forms of stationery and office supplies.

Wisconsin department attaches enjoyed a moose and venison dinner, the game being furnished by John R. Lange, chief actuary, and Lloyd J. Yaudes, examiner of the department, as the result of a recent hunting trip in Canada.

Gilbert Samuelson, with the S. T. Chase Agency at Chicago, has received a 20 year service bar from the Connecticut Mutual Life. Mr. Samuelson entered the insurance business with the Chase agency on Nov. 1, 1913. His first policy written was a 20-year endowment, which matured Nov. 10 of this year. Mr. Samuelson told the assured at the time if he would leave the dividends with the company to accumulate at interest they would amount to \$335. When the company's check arrived to pay off the endowment it was for \$1,355.23.

Prof. Henry L. Rietz of the mathematics department will open the Baconian series of public lectures at the University of Iowa Nov. 17 with an address on "Life Insurance During the Depression." Baconian lectures are under auspices of the graduate department but are open to the public.

C. M. Ide, general agent of the Massachusetts Mutual in Boston for 17

years, died at a Brookline hospital following a short illness. He began his life insurance career with the A. H. Curtis & Co. general agency of the New England Mutual in Boston 40 years ago. In 1916, with H. C. Staples and M. G. Summers, he took the general agency of the Massachusetts Mutual and when the two retired some years ago continued the management alone. He was active in organization affairs.

President B. Frank Bushman of the Federal Reserve Life of Kansas City, Kan., who underwent a major operation in a hospital at Kansas City, Mo., and whose case at one time was decidedly critical, has now recovered so that he has been taken to his home and is gradually on the mend.

B. M. Downie, Portland, Ore., agency director New York Life, has been elected president of the Portland Kiwanis Club.

J. F. Halley, Sr., special agent in St. Louis for the General American Life, from Oct. 18 to Nov. 11 wrote 32 applications for a total of \$202,000 of new business. His unusual success in his one month's association with the General American Life is accepted as an indication of the favorable public reaction in St. Louis to the new company.

O. Sam Cummings of Dallas, general agent of the Kansas City Life for Texas and president of the Texas Association of Life Underwriters, after visiting Galveston and Port Arthur completed his personal contact with every local underwriters' association in the state.

The Life of Virginia was the second institution to be honored in a series of "Salutes" now being broadcast as a compliment to leading business and manufacturing firms of Richmond, Va., by radio station WRVA. In a three-minute talk Vice-president J. E. Woodward outlined the company's history and emphasized its significance as a local and national financial institution.

Vice-president H. H. Armstrong of the Travelers is an ardent collector of prints and paintings of ships. The walls of his office are covered with many interesting and valuable examples of this art. He has a number of the famous Currier & Ives prints and some oil paintings of early American production.

Edwin Starkey, Jr., son of Vice-president Edwin Starkey of the Mid-Continent Life of Oklahoma City, has maintained his leadership in production of new business and renewals so far this year. He is 26 years of age and is a director of the junior chamber of commerce in Oklahoma City.

Claris Adams, executive vice-president American Life of Detroit, and Mrs. Adams have announced the marriage of their daughter, Margaret Louise to Paul Taube of Detroit.

C. M. Biscay, advertising manager of the Western & Southern Life of Cincinnati, suffered a nervous collapse while at his desk Friday afternoon and was removed to his home, later being taken to a hospital. Mr. Biscay has been very active recently in the publicity work of the NRA, of which President Williams of the Western & Southern is head in the Cincinnati district, and this no doubt contributed to the strain under which he has been working the past few months.

Mrs. Ella J. Grant, mother of President W. T. Grant of the Business Men's

NEWS OF THE COMPANIES

Guarantee Reserve Started

New Company at Indianapolis Is Issuing Four Copyrighted Policies—Dana G. Campbell President

Organization of the Guarantee Reserve Insurance Company of Indianapolis, has been completed and policies are



DANA G. CAMPBELL

being issued. The company is incorporated under the assessment life statute but will charge and maintain a reserve on the legal reserve rate basis. Four new copyrighted policies are offered by the company—a group or family policy, a maturity policy, a hospital

operation policy and an old age policy. There are 250 charter members covered by over \$800,000 insurance.

Officers are: President, Dana G. Campbell; vice president, Harry E. Munn; secretary, Dave Harris; treasurer, Dr. B. R. Quinn; medical director, Dr. S. E. Jones; general counsel, C. C. Wy-song, and actuary, Harry Marvin. Among the charter members are 50 or more doctors located throughout the state and around these district selling organizations will be built.

The Guarantee Agency, Inc., has been incorporated to sell life insurance for the company, with 1,250 shares of stock, each charter member of the life company having five shares of the agency. Officers of the agency are T. W. Rodebaugh, president; Charles Quinn, vice-president; Edward Roth-koff, secretary, and August C. Enderlin, treasurer. The agency will also handle fire, health and accident insurance on a general agency basis.

Mr. Campbell was for 25 years with the Maytag Company, pioneering that company's product through Indiana, Ohio and Michigan, where he has a large acquaintance. Mr. Munn spent many years with the Mutual Life of Baltimore, going to Indianapolis several years ago as branch manager for the company, which position he resigned to go with the Guarantee Reserve. Mr. Harris has had 30 years of insurance experience. Dr. Quinn is a dentist of Indianapolis and Dr. Jones is a practicing physician in that city.

Offices of both companies are in the Meridian Life building, 307 North Pennsylvania street, Indianapolis.

To Rehabilitate Kentucky Home

Plans for rehabilitating the Kentucky Home Life are going rapidly forward.

B. S. Washer, counsel for the Contal Corporation, now in control of the company, reported on his return to Louisville from a conference with officials of the Continental Bank & Trust Company, New York, of which the Contal Corporation is an affiliate.

Mr. Washer declared the new owners of the company have no intention of disposing of the Kentucky Home Life stock. Inasmuch as the company has \$70,000,000 of business on its books, Mr. Washer said there is every incentive for rehabilitating and enlarging it.

St. Louis Wins Contest

The St. Louis agency of the Ohio State Life carried off first honors in the trophy contest in honor of President U. S. Brandt. Alfred Guay, Los Angeles manager, was first in personal production and his agency ranked second. The Columbus, O., branch was third and its manager, L. A. High, also ranked third among the individual producers. The Michigan agency was fourth, being followed by Hazleton, Pa., Youngstown, O., Pittsburgh, Midland, Mich., northwestern Pennsylvania and Charleston, S. C.

Second place among the individual writers was taken by Robert Ginsburg, St. Louis. A. E. Demilio, manager Pittsburgh agency, was fourth, and E. L. Knetzger, manager St. Louis agency, fifth.

Withdrawal of Securities Denied

Withdrawal of \$100,000 in securities placed with the Colorado department by the Farmers Life of Denver to cover policies sold prior to 1925 has been refused by the state supreme court. The law governing such deposits was changed by the legislature in 1925.

The Farmers Life has been consolidated with the Pacific States Life. Those who bought policies prior to 1925, the court said, had a vested right and interest in the securities deposited

The NATIONAL has paid

—almost ONE HUNDRED MILLION DOLLARS to Shield policyholders and their beneficiaries since its organization.

—last year the Shield company distributed approximately TWENTY THOUSAND DOLLARS each working day to Shielded millions.

A great 33 year record for service by a great service giver.



AN ARROW TO ITS MARK

LIFE INSURANCE FLIES UNERRINGLY TO THE RESCUE OF MANKIND WHEN HELP IS MOST DIFFICULT TO OBTAIN ELSEWHERE AND WHEN AID IS MORE SORELY NEEDED THAN AT ANY OTHER MOMENT IN LIFE. PICTURE A FRIEND—QUIET, UNOBTRUSIVE, ALMOST UNAPPRECIATED—WHO STANDS IMPASSIVELY BY WHILE THE FRUITFUL POWERS OF MANHOOD EARN ALL THAT IS ESSENTIAL TO HAPPINESS, AND THEN—WHEN THE STORMS OF OLD AGE OR DEATH DRIVE AWAY LIKE STRAWS THE NORMAL SUPPORTS OF EXISTENCE AND ONE STANDS DESOLATE, EMPTY-HANDED, AND FORSAKEN—RUSHES INSTANTLY FORWARD TO BEAR THE BURDEN WHICH IS SO SUDDENLY IMPOSED IN DEED A FRIEND! TRUTHFULLY CAN IT BE SAID THAT LIFE INSURANCE SERVES BEST WHEN ALL ELSE IS AT ITS WORST; THAT ITS FULL VALUE IS NEVER REACHED UNTIL OTHER VALUES HAVE DEPRECIATED OR VANISHED.

AMERICAN CENTRAL LIFE
INSURANCE COMPANY
INDIANAPOLIS, IND.



WHEN YOU SELL LIFE INSURANCE, SELL

PERMANENCE!

One of the finest features of life insurance is its relative permanence. The reinvestment problem is not a factor.

Too little life insurance is sold as a permanent investment. Too much stress is laid on collateral values. When you sell life insurance

SELL PERMANENCE!

PROVIDENT MUTUAL
LIFE INSURANCE COMPANY OF PHILADELPHIA
Founded 1865

with the insurance commissioner, and it was beyond the power of the legislature to authorize the withdrawal of the deposits over the objection of the policyholders.

Murdoch Made Receiver

On request of Commissioner Jess G. Read, William Murdoch, former secretary of the Oklahoma insurance board, has been appointed receiver for the Peoples Mutual Life of Oklahoma City. The organization, through its president, F. R. Dowling, admitted insolvency. The policies and lapse list were sold to the Republic Life of Oklahoma City. It also took over the business and the lapse list of the New State Life Insurance company, for which Mr. Murdoch has likewise been appointed receiver.

Annuity Sales Increase

A sharp increase in the sale of annuities is reported by Executive Vice-President B. B. Locke of the Church Life of New York. This is evidence, he contends, of returning conservatism and a desire for safety as well as certainty of life long income. The number of annuities sold in October, 1933, by the company was 241 percent greater than that in October, 1932. Sales last month amounted to more than 20 percent of the total issued since the organization of the company in 1922. Annuity premiums for the first ten months of this year are 137 percent greater than the similar period last year, while the increase in insurance is 27 percent.

Dismiss Oklahoma Suit

TULSA, OKLA., Nov. 16.—District Judge H. H. Montgomery has dismissed the litigation to place the Oklahoma assets of the Missouri State Life in receivership. W. A. Ledbetter, special counsel, said that Governor Murray after an investigation is convinced the best interests of Oklahoma policyholders are served by completion of the sale to the General American Life.

Kansas City Life Agencies Ahead

KANSAS CITY, MO., Nov. 16.—Seventeen agencies of the Kansas City Life paid for more business the first ten months of 1933 than in the corresponding period of 1932. They were: Alabama, District of Columbia, J. C. Edwards, C. W. Fisher, Florida, Given & Judd, W. G. Hunter, W. T. Koop, L. C. Mersfelder, Mississippi, North Georgia, H. W. Ogilvie, J. G. Pinson, W. M. Seitz, South Dakota, R. K. Tongue and W. W. Walker.

CONVENTIONS

Michigan Agency Conference

Northwestern Mutual Holds Sales Session in Detroit with 100 Present from Over State

With 100 Michigan agents in attendance, 60 from Detroit and 40 from Kalamazoo, Flint, Grand Rapids and Marquette, the Northwestern Mutual Life held a sales conference in Detroit, followed by a banquet with M. L. Woodward, Detroit general agent, as host.

Grant Hill, superintendent of agencies, was the principal speaker. Others who spoke were John Cooper and Leslie Hatcher, Detroit; Solon Benbow, Kalamazoo, with the company 45 years and at the age of 82 still a large producer; Sigmund Rothschild, leader of the Detroit agency; Jack Rabinovitch, leader of the Flint agency; H. E. McCurry, inspector, and General Agents J. A. Carlson, Flint; Ira Blossom, Grand Rapids; Roy Bryant, Kalamazoo, and Percy Teeple, Marquette.

Start "Gold Rush" Contest

An intensive drive for new business in the remaining weeks of 1933 has been started by the Aetna Life agency in Detroit. General Agent H. K. Schoch was host to the agency force at a dinner, with about 60 in attendance, to start the "1933 Gold Rush."

Mr. Schoch announced that October business in the agency was considerably better than in 1932 and that its aim for November and December would be to double last year's production.

New Publicity Department

The General American Life of St. Louis has installed a new publicity and public relations department under the personal supervision of President W. H. Head, and with D. J. Murphy of St. Louis as director of publicity. Mr. Murphy has had a wide experience in publicity and newspaper work. He is a graduate of the St. Louis University and for a time was in the advertising department of Wilson Brothers, haberdashery manufacturers, in Chicago. Following that he was engaged in radio advertising work in Chicago.

E. D. Rich, St. Joseph, Mo., has been named assistant director of publicity. He is a graduate of the University of Missouri school of journalism and has considerable newspaper experience.

Ohio National's Building



The above is a reproduction from the artist's sketch of the new home office of the Ohio National Life in Cincinnati. The cornerstone was laid Nov. 1, and the building is expected to be ready for occupancy the latter part of March.

LIFE AGENCY CHANGES

Fletcher Is Now Advanced

Becomes General Agent of the National Life of Montpelier at Springfield, Massachusetts

W. A. Fletcher, Jr., who joined the Springfield, Mass., agency of the National Life of Vermont in March, 1932, has been appointed general agent to succeed the late R. H. Cutler. Mr. Fletcher was previously vice-president of the Garretson-Ellis Lumber Company. He had been engaged in the lumber business since 1913. He has been the practical head of the Springfield agency since March when Mr. Cutler was first taken ill.

M. W. Hess

M. W. Hess of Madison, Wis., has been appointed district manager of the New England Mutual for Dane and surrounding counties. He has been in the insurance business six years and until June 1 was state supervisor for the Central Life. He is a former secretary of the Madison Association of Life Underwriters.

N. C. Litwack

The Schlesinger-Heller Agency of Newark, which has been established for more than 43 years, has added a life department to the agency, under the supervision of N. C. Litwack, who has been in the life insurance field for about six years.

W. A. Downing

W. A. Downing, unit manager in the Farnsworth agency of the Equitable Life of New York in Boston, has been appointed agency manager to succeed the late W. E. Hewitt. He is a native of Massachusetts and joined the Equitable Life in New Mexico in 1927, after some 15 years in sales organization work in other fields. He was transferred to Boston in 1929 and has since been with the Farnsworth agency.

P. J. Kieffer

The Ohio State Life has announced the appointment of P. J. Kieffer, 166 West Jackson boulevard, Chicago, as a general agent. This will make the company's third agency in Chicago, Law Brothers being located in the

northern part of the city and Ray Palmer in the southern section. Mr. Kieffer formerly was Illinois state manager for the American Life of Detroit.

Frank Kelly

Frank Kelly, formerly district manager in Newark for the Union Central Life, has been made supervisor of the A. G. Derr agency of the Aetna Life there. Mr. Kelly has been in the life insurance field for about ten years, seven with the Union Central and three with the Massachusetts Mutual.

Lee H. Ager

Lee H. Ager, prominent Lincoln, Neb., life man, has been appointed general agent by the Connecticut Mutual Life. His territory will include the major portion of western and southern Nebraska. A native of Nebraska, and for many years a resident of Lincoln, Mr. Ager has been engaged in business in that city continuously since 1917 and is widely acquainted throughout Nebraska.

K. R. Dulany

The Travelers has opened an agency in Fort Worth, Tex., at 823 Fair building under the management of K. R. Dulany, field assistant. Mr. Dulany has been with the Travelers for four years in Dallas, Texas.

Life Agency Notes

Hughey Johnston has been appointed district agent for the Pan-American Life at Windsor, Mo. He has been with the E. E. Van Natta agency at Sedalia, Mo.

Charles Hughes, formerly with the Continental Assurance at Wenatchee, Wash., has been appointed district agent for the Great-West Life.

Returning to the Pacific northwest after two years in Los Angeles, G. R. Eckman has been appointed district manager for the Northern Life at Eugene, Ore. Before entering insurance Mr. Eckman did newspaper and publicity work in Eugene and Seattle. In Los Angeles he was general agent for the Central States Life.

J. G. Ferguson Resigns

Jim G. Ferguson has resigned as vice-president in charge of agencies and manager of the accident and health department of the Continental Life but will continue in that same line of work.

Ohio National Appointments



A. V. ZABRISKIE, Ogden, Utah

A. V. Zabriskie of Ogden, Utah, has been appointed general agent for the Ohio National Life for Utah and several counties in Wyoming. He has been a successful agent and manager since 1923, having joined the Metropolitan Life first as an agent. Later he be-



O. H. GIBSON, Oklahoma City

came general agent for the Beneficial Life in 1926.

Otis H. Gibson has been appointed general agent in Oklahoma City, he having spent all his active career in the service of the Republic Life in that city.

ROVER GUARDS THE BOOTS



Rover is protecting his master's boots. Pretty soon it will be five o'clock and his master will come and put on the boots. Then they will go hunting till dark. Rover's master has been working for a long time, but he is almost through now. His life income contract with the Central States Life starts paying him an income next month. Then there will be plenty of time for hunting. Rover's master doesn't know much about life insurance, but he does know that the Central States Life is going to send him a check as long as he lives.

Write for your copy of "Field Features." It gives complete information about the Central States Life. Desirable territory available in Missouri, Nebraska, Texas and Colorado.

CENTRAL STATES LIFE INSURANCE COMPANY

SAINT LOUIS

GEORGE GRAHAM, Pres.

"Cake and Penny Too"

The new Family Income Rider applied to the Income for Life Plan (at age 65), which Fidelity originated, meets the demand for the economic "cake and penny too." The Rider may also be applied to the Endowment at 65 plan.

Offers New Opportunity

Here is opportunity to sell the man who likes the Family Income plan, but thinks of his own needs first, or who must be content with a small contract, or who is not a preferred risk, or who demands greater disability benefits, or who wishes to reduce the period of extra premium payments.

Write for information

The FIDELITY MUTUAL LIFE
INSURANCE COMPANY
PHILADELPHIA
WALTER LEMAR TALBOT, President

Wearing Out Prospect by Arguments Is Unprofitable

A real estate salesman who would wear out a prospective buyer trying to overcome some trifling objection instead of showing him the numerous desirable points about the house he was trying to sell would be no more futile than the life underwriter who allows himself to be drawn into arguments with his prospects. Harvey Weeks, assistant vice-president Central Hanover Bank & Trust Co., New York, told members of the New York City Life Underwriters Association at their November meeting. Mr. Weeks is a former life insurance man.

"Try to see how many benefits you can get in front of the prospect," said Mr. Weeks. "If you had a stenographic transcript of your interviews, and went over each one and checked with a blue pencil each benefit you had mentioned, I wonder how many blue marks you would have?"

Business men with whom Mr. Weeks has talked have told him that the average life underwriter is too prone to give the prospect the impression that he, the underwriter, is an expert in his own field and that the weight of his authority should govern. Business men, Mr. Weeks pointed out, like to have the information laid before them and then arrive, or at least feel that they have arrived, at their own decisions.

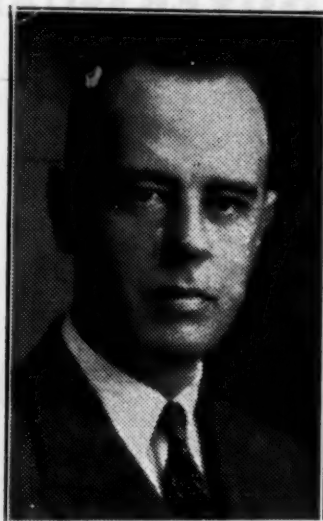
The objection often made by older prospects that their rate is unfavorably high as compared with younger men, may be effectively countered. Mr. Weeks said, by pointing out that in proportion to the net amount at risk, the older man's premium is no higher than the younger policyholder's, a fact which a layman is likely to overlook.

He warned that the overworked "I'm not here to sell you insurance" approach now arouses so much suspicion that it is well for the underwriter to explain his willingness to be of service because of building up good will, an analogy to the prospect's own business that he can easily follow.

Musick With Connecticut Mutual

George Musick, trust officer of the New York Trust Company, has been elected financial secretary of the Connecticut Mutual and will have general supervision over bond investments. He was previously in the bond department of the Prudential. He graduated from Cornell in 1921.

Made President



W. H. DALLAS, Hartford

W. H. Dallas, assistant to the vice-president of the life department of the Aetna Life, was elected head of the Home Office Life Underwriters Association this week.

Hugh D. Hart Directing Independence Fund Sales

NEW YORK, Nov. 16.—Putting the life insurance system of selling into Wall street, Hugh D. Hart, formerly one of the most dynamic figures among life executives, is now directing the sales organization of the Independence Fund of North America, Inc., the purpose of which is to enable the small investor to invest in high-grade common stocks and still have the advantages of diversification characteristic of life insurance.

W. R. Pressnall Is Dead

W. R. Pressnall, formerly executive vice-president of the old Farmers National Life of Chicago, died at his home in Akron, Ind.

ciation endorsed Mr. Smith as a candidate for president of the state association.

Hold Congress in Springfield

Sales Conference in Western Massachusetts Attracted Notable Speakers on Life Insurance

The sales congress for western Massachusetts was held at Springfield Wednesday. E. C. Taylor, president of the Western Massachusetts Life Underwriters Association, presided. The talks were by Dr. James Gordon Gilkey, pastor South Congregational Church of Springfield; Vincent Coffin, superintendent of agencies Connecticut Mutual; Prof. W. B. Bailey, economist Travelers; President W. H. Sargent, Massachusetts Mutual Life; President J. A. Fulton, Home Life; Insurance Commissioner M. L. Brown of Massachusetts; Vice-president John M. Laird, Connecticut General; E. J. Wilson of the Penn Mutual Life in New York City and famous for his cold canvass achievements; Paul F. Clark, general agent John Hancock Mutual Life in Boston.

Hold Peoria Sales Congress

Feature Program Made Up of Headliners; State Association Executive Committee Meets

The annual sales congress of the Illinois association, held in cooperation with the Peoria association, was a success, with a galaxy of nationally known insurance men as speakers.

The executive committee of the state association met the evening before with J. H. Wilson of Peoria, president state association, and N. P. Blanchard of Champaign, past president and chairman executive committee, jointly presiding. There were reports and discussions on educational activities, legislation, membership and C. L. U. work.

The morning session of the sales congress was presided over by W. M. Latteer, president Peoria association. Prof. W. B. Bailey, economist, Travelers, spoke on "Life Insurance Under Changing Economic Conditions." John Morrell, Equitable of New York, Chicago, gave his fine address on "An up-to-date Hedging Process—Annuities." He showed how the average man should protect against the uncertainties of the future by coupling life insurance with annuities in his program. This, he said, gave a 100 percent sound financial plan, so that the individual could do what he wanted to with the rest of his estate and income and yet have his plans fulfilled.

Program in Afternoon

After lunch J. B. Ross, chairman Peoria sales congress committee, took the chair, J. H. Wilson discussed state association activities. He introduced C. F. Axelson, Northwestern Mutual, Chicago, vice-president state association, who reported on C. L. U. activities in the state.

Insurance Director Palmer of Illinois due to illness was unable to attend. S. L. Brouning, general agent Lincoln National, St. Louis, talked on "Selling in 1933."

He suggested that an agent go to five of his best and most prominent friends and render a sales talk to get their reactions and not attempt to sell them. Then, he said, each of these men should be asked to give the names of five friends who might be interested in the plan proposed. From this point the endless chain should be worked. He said in his agency he insists that his men be "joiners;" they must be active in various organizations. They are trained to stress the beneficiary angle in a sales talk.

Vice-president F. H. Davis of the Penn Mutual was unable to attend. E.

Paul Huttinger, manager sales training division Penn Mutual, spoke on "Will the Middle Class Survive?" He said 90 percent of the people are in this class. The life insurance man today, with few exceptions, he stated, is the only one who can go back and resell his old prospect, as the contracts are being carried out dollar for dollar according to agreement.

Southwest Texas.—At the monthly meeting at San Antonio announcements in regard to the Austin, Corpus Christi and Dallas sales congresses were made, followed by a round table discussion of current problems in the life insurance field.

Seattle.—Governor C. B. Martin and Commissioner W. A. Sullivan will be the principal speakers at the meeting Nov. 18. New officers will be elected and a membership campaign launched with J. P. Mulder, Mutual Life of New York, as chairman.

Northern Wisconsin.—K. W. Jacobs, Milwaukee, Wisconsin general agent Connecticut Mutual Life, speaks on "Our Industry and Job in 1934," at the monthly meeting Nov. 17 at Green Bay.

Waukegan, Ill.—J. R. Hastie, associate manager of the Helfetz agency, Mutui Life of New York in Chicago, spoke at the November meeting on "The Opportunities of a Great Profession."

Fort Dodge, Ia.—D. E. McTigue has been elected president; Andrew Moe, vice-president; P. J. Tierney, secretary, and S. P. Stump, treasurer.

Cedar Rapids, Ia.—The association will meet Nov. 25 when J. R. Hastie, associate manager Helfetz agency Mutui Life of New York in Chicago, will speak on "Just a Few Suggestions About Your Next Suit of Clothes."

Northern New Jersey.—In a talk on "Selling Life Insurance" Stanley G. Dickinson, formerly with the Sales Research Bureau, said life underwriters are doing four things these days: First, they are constantly trying to be more successful as life underwriters; second, improving their prospecting procedure; third, improvement in their method of presenting the subject of life insurance, and, fourth, life underwriters are controlling their time to a better advantage. A study of 1,000 sales showed that 18 percent were made to salaried executives, 14 percent to clerks, 11 percent to the small individual proprietors, 10 percent to salesmen and about 5 percent to executives and others of a high position.

St. Louis.—In view of the many pressing problems confronting life agents, special sales meetings will be held in lieu of the customary monthly luncheon gatherings in order to provide programs of greater interest to the membership. The first sales gathering will be held Nov. 23.

Fort Wayne, Ind.—A sales congress will be held Nov. 23. Dr. C. J. Rockwell, educator, will speak.

Montgomery, Ala.—Roger Hull, managing director of the National association, spoke at a joint luncheon meeting with the Exchange Club. President F. B. Fisher announces that a special program will be conducted Dec. 7 by a delegation from the Birmingham association.

Port Arthur, Tex.—A new association was formed here with 25 members. O. Sam Cummings, president Texas association, and J. S. Smith, vice-president, spoke at the initial meeting.

Richmond, Va.—At the November meeting a one-act play entitled "Who Must Be Made to See?" written by F. B. Martin, was presented. It stressed the value of the retirement income policy.

President H. R. Hill announced that suggestions on legislative matters should be made to N. D. Sills, chairman of the legislative committee, as the assembly convenes in January.

New York City.—President F. J. Mulligan announced that C. A. Votaw, educational director C. L. McMillen agency Northwestern Mutual, has been appointed to the executive committee to succeed

NEWS OF LIFE ASSOCIATIONS

Sam Cummings' Observations

Strong Address of National Life Underwriters Association Officer Before Galveston Body

O. Sam Cummings, president Texas Association of Life Underwriters, in addressing the monthly meeting of the Galveston association scored individuals and institutions that are attempting to rate companies. These ratings, he said, are very dangerous and carry little authenticity.

By quoting figures recognized as authentic, by common sense reasoning and by comparisons, Mr. Cummings denied and rejected as false, beliefs that insurance is making no progress, that cash loan restrictions are working hardships on policyholders; that insurance companies are not the soundest of companies either with which to risk money for insurance or investment purposes; that few opportunities are offered under present business conditions for agents and that the old pioneering methods of obtaining policyholders are inadequate and that small policies are not good business.

Volume of business, a former way of

measuring accomplishments of life insurance companies, has been succeeded by amount of premium receipts as a measure, Mr. Cummings said. He declared that income, assets and surpluses offer a better insight into the strength of companies.

Mr. Cummings also said that assets, premiums and surpluses of insurance companies were greater in this country in 1932 than the preceding year, and that a very slight increase in income was shown during the same period.

"Conditions of companies are reflected in the small percentage of losses occasioned by failing companies and bad business conditions. It has become a habit to buy life insurance in this country. There exists no longer a cold reception for agents. Every prospect is 'warm' whether you know him or not. Education has helped bring this about and the public is familiar with the service, merits, safety, investment possibilities and benefits of life insurance.

"A small insurance policy, say of \$1,000, is worth more to a widow and orphans in time of need than a policy for \$100,000 held by a corporation on an official."

Joe S. Smith of Houston accompanied Mr. Cummings. The Galveston asso-

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Grant L. Hill, former production manager of the same agency who is now director of agencies for the Northwestern; and that Leroy Whitelaw, McNulty agency Prudential, had been made chairman of the library committee, succeeding William Julius, J. C. McNamara agency Travelers.

Jackson, Mich.—The monthly meeting of the Jackson association was held Nov. 10, President P. J. Crandall presiding. A. P. Johnson, Detroit, spoke on "The Life Insurance Salesman and His Re-

sponsibility." He is city manager Great West Life. He put great emphasis on selling monthly life income. He said by this method only can life insurance fully function in the best possible way. Plans are being made for a rally meeting Nov. 24, when Prof. S. S. Huebner will be the speaker. Dr. Huebner spoke to over 600 people here last November and made such a strong impression that there was general demand for a return engagement. He is being brought to Jackson through the united efforts of the association and board of commerce.

NEWS ABOUT LIFE POLICIES

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem." Published Annually in May and March respectively. PRICE, \$5.00 and \$2.00 respectively.

New Occidental Life Policy

"Ironsides" Contract Separates Protection and Cash Value on a Decreasing Term Basis

The Occidental Life has introduced a new "Old Ironsides" family independence and savings policy. The new form represents an effort to make legal reserve life insurance more flexible and adjustable to the ups and downs of the policyholder's financial life. A flexible premium is substituted for the unalterable level premium and the usual policy loan with interest is replaced by cash available without interest from a safety fund that the policyholder can accumulate, if he is able, in addition to his protection.

The protection is separated from the cash value but the policyholder is encouraged to accumulate a cash value that will enable him to buy a retirement annuity for his old age but which in emergency he can borrow without having to pay interest. The "Ironsides" policy is essentially a decreasing term form, although the protection runs at the full amount for a considerable number of years. The cash in the policyholder's safety fund is payable to the beneficiary in addition to its face value protection. The fundamental premium for the protection has been calculated to provide increasing dividends.

The "Ironsides" policy is divided into five types as follows by this Los Angeles company:

Policy Type	Issued at Ages	Age Protec. Starts Decrease	Prem. Pay-able to Age Ceases	Protec. to Age Ceases
No. 40...	20-24	40	68	71
No. 45...	25-24	45	71	73
No. 50...	35-42	50	72	75
No. 55...	44-49	55	75	76
No. 60...	50-55	60	77	79

The premiums and estimated dividends follow:

Div. at end of Policy Years						
Age Prem.	2nd	3rd	5th	6th	after	There-
20...\$11.36	\$1.00	\$1.33	\$2.01	\$2.34	\$2.68	
21... 11.40	1.00	1.34	2.03	2.38	2.72	
22... 11.44	1.00	1.35	2.06	2.41	2.76	
23... 11.48	1.00	1.36	2.08	2.44	2.80	
24... 11.52	1.00	1.37	2.10	2.47	2.84	
25... 12.48	1.00	1.38	2.13	2.50	2.88	
26... 12.54	1.00	1.38	2.15	2.53	2.92	
27... 12.62	1.00	1.39	2.17	2.57	2.96	
28... 12.72	1.00	1.40	2.20	2.60	3.00	
29... 12.82	1.02	1.43	2.26	2.68	3.10	
30... 12.96	1.03	1.47	2.33	2.76	3.20	
31... 13.10	1.05	1.50	2.40	2.85	3.30	
32... 13.30	1.07	1.54	2.47	2.93	3.40	
33... 13.50	1.09	1.57	2.53	3.01	3.50	
34... 13.70	1.11	1.61	2.60	3.10	3.60	
35... 14.90	1.13	1.64	2.67	3.18	3.70	
36... 15.06	1.14	1.68	2.73	3.26	3.80	
37... 15.24	1.16	1.71	2.80	3.35	3.90	
38... 15.44	1.18	1.75	2.87	3.43	4.00	
39... 15.68	1.20	1.78	2.93	3.51	4.10	
40... 15.96	1.22	1.81	3.00	3.60	4.20	
41... 16.30	1.23	1.85	3.07	3.68	4.30	
42... 16.72	1.25	1.88	3.14	3.76	4.40	
43... 17.26	1.27	1.92	3.20	3.85	4.50	
44... 19.80	1.29	1.95	3.27	3.93	4.60	
45... 20.16	1.31	1.99	3.34	4.03	4.70	
46... 20.58	1.33	2.02	3.40	4.11	4.80	
47... 21.04	1.34	2.06	3.47	4.20	4.90	
48... 21.56	1.36	2.09	3.54	4.28	5.00	
49... 22.18	1.38	2.11	3.56	4.30	5.02	
50... 25.50	1.40	2.13	3.58	4.32	5.04	
51... 25.98	1.41	2.14	3.60	4.34	5.06	
52... 26.54	1.43	2.16	3.62	4.35	5.08	
53... 27.18	1.45	2.18	3.64	4.37	5.10	
54... 27.92	1.47	2.20	3.66	4.39	5.12	
55... 28.80	1.49	2.22	3.68	4.41	5.14	

National to Reduce Dividend

Vermont Company Makes 23½ Percent Cut for 1934—Interest Rate Slightly Lower

For the year 1934 a reduction of approximately 23½ percent in dividend distribution from the scale of 1933 has been authorized by directors of the National Life of Vermont. This will result in an increase in the net cost of insurance on premiums paid the coming year of about 6 percent over the costs of 1933.

The surplus interest rate for 1934 has been adjusted to 4½ percent. The rate in 1933 was 4½ percent.

President Fred A. Howland in making these announcements says:

"There was no difference of view on the part of the directors in taking this action. It takes into account the necessity under present conditions of maintaining bank balances several times larger than has been customary, on which, under existing Federal Reserve regulations, no interest is allowed; the advisability of carrying a larger volume of readily convertible securities of the highest grade, bearing a low rate of interest; and the present and prospective reduction in earnings of general assets.

"This prudent action, while increasing the costs to the individual policyholder in a relatively small amount, in the aggregate appreciably strengthens the position of the company at a time when that consideration should be paramount."

Columbus Mutual's Dividends

The Columbus Mutual Life announces that it plans to make a substantial increase in its dividend schedule effective April 1. It states that the new scale probably will not be so high as the old one in effect April 1, 1933, because it now seems that a general reduction in interest earnings has taken place, which will be long continued and must be taken into consideration. It made a 50 percent horizontal reduction, April 1, 1933.

Berkshire Life

The Berkshire Life will continue its same dividend schedule through 1934 as declared in 1933. It made a 25 percent horizontal reduction the middle of last year.

Explanatory Pamphlet Issued

The General American Life has put out a very valuable pamphlet entitled, "Questions Asked by Policyholders." This is designed to furnish answers to questions which have been most frequently asked by policyholders of the Missouri State Life, which the General American Life has taken over. It is based on the interpretation placed on the purchase agreement by the officers. There are 44 questions answered. The pamphlet is being mailed to each policyholder with his certificate of assumption.

AS SEEN FROM NEW YORK

By R. E. MITCHELL

CLEANUP FUND IS NEEDED

An adequate and well-planned cleanup fund should get more attention in life insurance set-ups than the average agent now gives it, Dr. S. S. Huebner told members of the R. G. Engelsman agency of the Penn Mutual Life in New York City.

The policyholder who tries to minimize the need of ready cash which will arise immediately upon his death is only kidding himself, Dr. Huebner said. He may figure on a modest funeral, but funerals are likely to be very much a matter of "keeping up with the Joneses."

Expressing his approval of the life insurance trust plan because of its flexibility, Dr. Huebner said he hoped the day would come when the trust companies would group themselves together to form an investment pool where the proceeds of life policies could be invested with the same advantages, especially that of diversification, as life insurance funds possess. The relatively small size of the average life insurance policy makes it uneconomical

to handle by itself in an independent trust, as well as rendering it unduly subject to fluctuations in income due to lack of adequate diversification.

PROTECTION OF VALUES

Just how far New York's Section 55a and the identical or similar statutes of 20 other states protect loan and surrender values from creditors' claims once the money has been withdrawn by the policyholder will be considerably clarified by the federal court of appeals' decision in a case now pending before it, according to Albert Hirst, counsel New York State Association of Life Underwriters.

This type of situation has been made somewhat clearer by the lower court's decision on which the appeal is now being taken. Judge Campbell in federal district court in Brooklyn decided that a check for \$3,861 for a cash value on a life policy, which the defendant, a Dr. Holzman, had endorsed to his wife and which was deposited in her bank

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The Expression "TERM ADDITIONS"

doesn't mean much to you, perhaps, but it means a whole lot to the beneficiaries under Continental American Policies.

The Term Additions Plan

adds from 10 to 90% to the face amount without any increase in premiums.

It is a dividend option, purchasing at age 35 for instance, \$11,600 additional protection for every \$100 of dividends so used, and if elected at the time of issuance of policy, requires no medical examination.

Our Preferred Class Policies for the better than average risks, issued on all regular forms, with Term Additions added, make an unusually attractive combination.

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LIFE INSURANCE can be explained in plain, everyday language. The facts can be simply stated. People need to be told about life insurance by one who knows life insurance and its adaptability. Salesmen of integrity, ability and courage who will work systematically and plainly state the facts of life insurance service will be Masters of their craft and successful.

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Family Income, Juvenile, Insurance Annuity, 20 Year Term, and Modified Whole Life Policies are the present demand.

Maximum protection, minimum cost, and automatic or optional provisions for income settlement are among the features now most desired.

Conservative company management and a history of financial stability are today basic sales requirements.

The Home Office sales "weather bureau" gets results for the fieldman by forecasting and announcing sales trends and the best ways to meet them.

Franklin fieldmen are equipped to force the wheels of business forward. They are moving to the front.

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SPRINGFIELD, ILLINOIS

account, was exempt from the claims of the trustee in bankruptcy.

However, in the case of another check, for \$2,500, the doctor had used it for his own purposes, but a few months later gave his wife a sum of about \$2,500. As to this transaction, the court held that since the insured himself collected the moneys, the exemption had ended, and Mrs. Holzman was liable to pay back the moneys thus received to the trustee in bankruptcy. In both cases Mrs. Holzman was the named beneficiary, subjected to the insured's reserved right to change. Both parts of the decision are being appealed by the plaintiff and defendant respectively.

The plaintiff contended that both payments to Mrs. Holzman constituted either a "preference" or a payment in fraud of creditors. Under either contention the trustee in bankruptcy would have the right to recover the moneys from Mrs. Holzman. A preference is, under Section 60a of the bankruptcy law, a payment made while insolvent within four months before the filing of the petition in bankruptcy, the effect of which payment will be to enable a creditor to obtain a greater percentage of his debt than other creditors.

The H. L. Wofford agency of the Prudential in New York City paid for \$532,000 in October, its largest volume since January of this year.

Important Topics Before Meeting

(CONTINUED FROM PAGE 3)

substitute therefor the statements of the applicant as to his known history and physical condition, such statements being developed under the guidance and interrogation of the soliciting agent. The author stated that in the younger ages up to age 35 the absence of medical examination is not reflected unfavorably in the mortality experience; that at ages from 35 to 40 its absence is apparent in the experience, but not to a degree greater than can be absorbed by the offsetting saving in expense while at ages over 40 it would appear that a medical examination is generally advisable.

Other Papers Presented

E. G. Walker, assistant supervisor of risks, Mutual Life of New York, presented a paper dealing with the mortality in speculative occupations, with special reference to stock, produce, cotton and real estate brokers, as revealed in the experience of his company.

"Underwriting Problems in the South-eastern States" was the topic of a paper by W. H. Dallas, assistant vice-president Aetna Life. He referred to various published experiences covering the mortality results achieved in southern states, mentioned that in certain of these states his own company had enjoyed a favorable mortality and pointed out that it would seem impracticable to attempt any system by which policyholders in a certain state or section would be accorded a rate or a net cost that would agree with the mortality and taxes in that particular state or section.

A. D. Reiley, supervisor of risks, Mutual Life of New York, and former president of the association, delivered a paper on "Has Selection Actually Become More Drastic in Recent Years?" In this he pointed out that there appeared to be an impression among many agents that companies are tightening up and that selection is becoming more rigid and inelastic than heretofore. Four major factors tending to create this impression were cited as follows:

1. The considerable amount of space that is now given in the insurance press to articles, papers, etc., on underwriting subjects.
2. The number of individuals insurable formerly and not today on same terms and amount.
3. The rise in declined percentage.
4. The fact that machinery of selec-

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PHILADELPHIA

tion is becoming more exacting in requirements.

Mr. Reiley pointed out that in the last few years a greater number of individuals have suffered more drastic changes in their life insurance status than ever before and that many who were in 1929 conservatively insured have since become overinsured and therefore questionable risks. The fact that a company may not care to participate in the risk on such an individual is taken as evidence of a closer selection policy, although it is the risk that has deteriorated and not the company's selection policy that has stiffened.

Whenever there is a period of declining volume of business, the ratio of declined to accepted business invariably rises. The rise or fall in the declined percentage is due to the rise or fall of the total new business. Underwriters recognize this situation but field men are inclined to accept a perfectly natural and well understood condition as an evidence of more rigid selection.

Information Procuring Improved

With respect to the fourth point that the machinery of selection is becoming more exacting, Mr. Reiley stated that there had been improvement made in information-procuring machinery; that the more the investigation, the more exacting the information, the more liberal can be the decision; that when an underwriter is sure of his ground he can make and does make a liberal decision, for it is uncertainty that compels strictness.

Better Chance for Real Reinsurance

(CONTINUED FROM PAGE 1)

representatives expressed a desire to co-operate with the receiver and confidence in Insurance Director Palmer of Illinois.

Pending the formalities of securing and selecting an advantageous offer for the National Life's business and assets, an appraisal of assets is being carried on as expeditiously as possible in view of the difficulty of setting proper values on the present market. Further heavy slump in a large block of bank stock held is expected if, as is planned, the RFC refines this bank. If this is done, market value of the stock is expected to drop approximately 66 2/3 percent. It is now only about a sixth of the price carried on the books at convention valuation.

Policyholders are reported to be responding well to the advice to continue their premium payments under assurance that these would be held in trust, to be returned unless an acceptable plan for continuing the business can be secured.

Ancillary receivers appointed in at least two states are accepting premium payments and other income in their jurisdictions and forwarding the sums to Receiver Lucey. Superintendent Warner of Ohio, ancillary receiver there, is accepting checks in payment of premiums and forwarding the checks. Commissioner Clark of Iowa is doing likewise.

Michigan Receiver Named

A Michigan receiver has been appointed, Second Deputy R. M. Wade of the insurance department. The appointment made by Judge Carr of Ingham county circuit court, was in partial compliance with petition filed by Insurance Commissioner Gauss, who asked for an ancillary receivership. Judge Carr objected to making the Michigan receiver subordinate to any other jurisdiction, because of considerable assets held in Michigan and the large number of policyholders there. The judge held that Michigan should be given preference if actual liquidation of the National Life, U. S. A., should become necessary.

Mr. Wade stated he would cooperate fully with the Illinois receiver and would set up no barrier if such an arrangement could be worked out.

Peoria Life Goes Down in a Crash

(CONTINUED FROM PAGE 3)

Emmet C. May, president of the bank and deposed president of the Peoria Life, and G. A. Clark, vice-president of the bank, said the bank will liquidate and all depositors will be paid in full. State Auditor Barrett is conducting an investigation of the bank's affairs.

Ugly Charges Are Made

Ugly charges were made in the report of the insurance department against the management of the Peoria Life. It has been intimated that indictments may follow as the state's attorney has been in Springfield in conference with the attorney general's department examining the report of the probe. It would not be surprising if the grand jury would take action at an early date.

It has been known for some time that the Peoria Life was in bad shape on account of its frozen investments. Some years ago it erected a home office building which was out of all proportion in value to the size of the company. It has been carried at \$2,644,200. Then it established the Bank of Peoria, the directorate being identical with that of the life company. Going still further, it promoted the Pere Marquette hotel in Peoria and the Berkshire hotel in Chicago. It had other investments which could not be realized on.

A number of people looked into the company to see whether it could be rehabilitated but the conclusion was reached that it would require too much money. Only Monday Kuhn, Loeb & Co. had representatives in Peoria giving it a final squint to see if anything could be done.

Report of Recent Examination

The report of an examination as of Sept. 30, 1933, released by the department, shows total admitted assets of \$21,283,034, and liabilities of \$24,165,217, besides the capital of \$400,000, resulting in an impairment of \$3,282,182.

Principal items in the assets Sept. 30 were real estate, \$4,829,151; mortgage loans on real estate, \$8,335,228; collateral loans, \$14,540; policy loans, \$5,496,423; premium notes, \$310,693; book value of bonds, \$1,246,275, and stocks, \$1,988,562; cash and deposits, \$411,138; bills receivable, \$384,861, including agents' balances of \$364,579; interest due and accrued on mortgages, \$484,846, on policy loans \$24,821, on bonds not in default, \$15,363; live stock owned by company, \$19,868; rents due, \$30,779; net amount of uncollected and deferred premiums, \$687,415.

Assets not admitted are due and accrued interest on mortgages \$87,859; agents' balances, \$372,277; mortgage loan excess, \$347,156; book value of home office over market value \$805,212; book value of bonds over amortized value, \$66,588; book value of stocks over market value, \$1,308,494, and other items bringing the total unadmitted assets to \$3,110,818.

Policy reserves are \$10,499,829; extra reserve for disability and double indemnity, \$412,981; accrued disability claims, \$481,247; reserves not involving life contingencies, \$731,521; other claim reserves, \$242,147; dividends left with company, \$482,360; taxes, \$115,503; borrowed money and interest thereon, \$958,263; dividends apportioned on deferred dividend policies, \$311,524; contingent reserve for possible losses on securities, \$557,500; with some smaller items to make up the total of liabilities stated.

Insurance in force is given as \$172,423,663 in 85,376 policies.

Money Advanced to Officers

The examiners report that it was the practice of the company to advance money to officers and employees and some of the advances have not been accounted for. Among these are the following: E. C. May, \$23,445 salary and \$11,500 traveling expense; W. E. May, \$6,000 salary and \$725 traveling

expense; W. H. May, \$1,383 salary and \$8,789 traveling expense; G. B. Pattison, secretary, \$2,500 traveling expense; J. B. Wolfenbarger, general counsel, \$3,750 salary; George A. Clark, director, \$9,200; Dr. F. A. Causey, associate medical director, \$1,000.

Salaries fixed by the board of directors Feb. 1, 1933, included the following: Emmet C. May, chairman of the board, \$30,000; W. E. May, director, \$12,000; Dr. George Parker, president and medical director, \$6,000; C. E. Keelan, first vice-president, \$10,000; A. E. Streitmatter, \$4,800; G. B. Pattison, secretary, \$17,500; Dr. F. A. Causey, associate medical director, \$6,600; J. B. Wolfenbarger, general counsel, \$9,600. On May 4 the salaries for the balance of the year were materially reduced, the chairman being reduced to \$8,800.

Financial Transactions Analyzed

Financial transactions are analyzed mainly without specific criticism, as if they spoke for themselves. For instance it is shown that the Bank of Peoria paid no rent for its quarters in the company building up to Jan. 1, 1929, when it agreed to pay \$600 per month. As of December, 1931, the bank was 22 months behind with its rent. On Dec. 29, 1931, the bank issued its check for \$9,600 in payment of 16 months rent. The same day a check was issued in a like amount by the insurance company to the bank as a one-half joint payment for advertising. The same procedure was gone through on Oct. 22, 1932, when the bank gave its check for \$6,000 in payment of past due rent. No record of the advertising contract was produced nor any advertising invoices. The examiners were informed that the operation was under the orders of E. C. May.

Effort Made to Swell Surplus

Other check transactions of the company with its officers or agents are analyzed in which it appears that checks were issued or received to cover indebtedness at statement time and then charged back again to the individual's account. It is stated the object was to swell the company's surplus.

There is sharp criticism of the company's investment in the Old Trails farm, amounting to \$222,359. The company originally made a mortgage on a tract of 1,005 acres on which it lent \$120,000. This was shortly foreclosed and then followed a series of trades by which the company acquired another 4,445 acres and the Berkshire hotel in Chicago and ran its real estate investment up to \$1,000,000. The Old Trails farm has been operated at a loss which in 1931 reached \$19,800. Purchases of live stock in the operation of the farm were charged as disbursements to real estate.

Pere Marquette Transaction

Some of the loans are handled ruthlessly by the examiners. In the case of the Pere Marquette Building Corporation the loan is \$50,000. The property was acquired by John McDowell at \$45,000 and subsequently conveyed to Emmet C. May and the Pere Marquette Building Corporation. Interest in the amount of \$3,000 due Jan. 1, 1933, is past due.

A second mortgage on the Pere Marquette hotel, Peoria, in the amount of \$80,000 is rejected as an admitted asset. The life company accepted this mortgage in lieu of advances made to the Pere Marquette Building Corporation.

Four mortgage loans to Emmet C. May are revealed with the appraised value of the properties. One of \$30,000 is secured by a first mortgage upon the leasehold right of May to unimproved property in Peoria. Another of \$15,000 is on 400 acres of land in Polk county in Minnesota appraised at \$2,000. A third is for \$24,000 on 320 acres of land in Polk county appraised at \$7,600. The fourth, for \$8,500 is secured by 200 acres in Lyman county, S. D., appraised at \$8,820.

A Florida land loan of \$300,000 on

the E. W. Thompson properties has been reduced to \$251,792, but the appraisal gives the entire value of the land at \$135,800.

A note of H. E. VandeWalker for \$30,000 is regarded as worthless by the examiners. Mr. VandeWalker was formally a general agent of the company for Michigan.

A note of L. M. Stacy for \$15,000 was given by Mr. Stacy without consideration, according to his statement, and at the request of E. C. May.

The item of cash in office Dec. 31, 1929, to the amount of \$244,151 consisted of actual cash of \$650 and checks as follows: Pere Marquette Building Corporation, \$42,000 and \$85,000; E. C. May checks \$50,000 and \$25,000; H. E. VandeWalker checks for \$16,356 and \$21,782, and miscellaneous receipts \$3,363. The detailed history of each check is given to show that they merely made an appearance of assets. Various other transactions are analyzed, mainly with the same implication of impropriety.

At the time of the examination the company had 161 mortgages on deposit with the Reconstruction Finance Corporation to secure a loan in the sum of \$945,765, the face value of the mortgages totaling \$2,069,046.

Statement as of Dec. 31

Its total real estate as of Dec. 31 was carried at \$4,639,951 on which four-tenths of 1 percent was earned. Its mortgage loans were \$8,542,677 or 36 percent of its assets on which 5.2 percent was earned. Its policy loans were \$5,691,073 on which 5.9 percent was earned. Its bonds were \$1,292,937 on which 5 percent was earned. Its stocks were about \$2,000,000 on which 8 percent was earned. It paid 16 percent dividends on its stock until 1931 when 10 percent was declared. It has paid none since.

At the last annual meeting there was a general shakeup resulting in the practical retirement of Emmet C. May, president, who was the active force behind the company, he being made chairman of the board. His son, Walter E. May, was eliminated entirely. Dr. George Parker, medical director, was elected president. The operation of the company was placed in the hands of a committee consisting of Dr. Parker, Vice-President C. E. Keelan, who was formerly with the Illinois department, and Secretary G. B. Pattison, who acted as general manager. The Illinois department forced drastic changes and kept in close touch.

Insurance Operations Successful

The insurance operations of the company have been successful but the company was most unwise in its investments. Some years ago it ran far too heavy on its farm mortgages. Its total farm mortgages are \$5,375,393.

In recent years the Peoria Life has been reinsuring the principal sum for a number of accident companies, especially throughout the west and south. The company at one time formerly separated its teetotalers into a total abstinence class but this class was abandoned Jan. 1, 1928.

The company was incorporated as an assessment company and was changed into a legal reserve institution in 1908 with \$100,000 capital, it now having \$400,000. Emmet C. May was general counsel and on the retirement of George W. Van Fleet as president, Mr. May took charge. He possessed organizing ability and took high rank among the business men of his city.

William O'Bryon Dead

William O'Bryon, superintendent of agents of the Bankers Life of Nebraska in Ohio, Pennsylvania and West Virginia, who died the other day, was 82 years old. He lived at Pittsburgh. He wrote his first application when he was 16 years old. His service with the Bankers Life covered 26 years. Before going with the Bankers he was a personal producer.



Salesmen— Excellent Opportunity

"A New Deal in Life Insurance"

A Dollar's Worth for a Dollar

Mutual Legal Reserve. Participating, non-par rates; estimated average annual cost Ordinary Life, age 35 \$15.38 per thousand; Twenty-Pay Life paid up for \$1,549 plus dividends per thousand in 20 years; Endowment pays \$1,961.54 plus dividends per thousand if policy becomes a claim year it matures. Cash accumulation available any time without note, interest or deduction from face of policy; juvenile with all fine features of adult policies. Unlimited opportunities for agencies in Illinois, Michigan, Indiana, Missouri.

INTERSTATE RESERVE LIFE INSURANCE COMPANY

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WHAT'S WRONG WITH LIFE INSURANCE?

We observe that several books have been recently issued attacking the institution of life insurance. Such indictments prompt us to pluck a thought from the classic Omar and

Wonder what the critics buy
One-half so precious as the thing they criticize.

The biggest trouble with life insurance is that too little of it is owned by people who could get it and pay for it and will some day need it in spite of their present belief to the contrary.



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Walker
President

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of Virginia
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MANAGERS' ASSOCIATION NEWS

Life Managers Will Meet

New York City Organization Plans to
Hold Another Sales Management Congress

The New York City Life Managers Association will on Dec. 7 hold another of its sales management conferences which have proven of such value to managers and general agents in the past. The program as announced by E. W. Allen of the New England Mutual Life, president, will include discussion of four principal topics: "Recruiting"; "Reviving the Old Agent"; "Selling Life Insurance Under Present Day Conditions" and "The Future for Life Insurance."

Cluff Is Kansas City Speaker

KANSAS CITY, MO., Nov. 16.—Walter Cluff, educational director of Kansas City Life, addressed 50 members of the General Agents & Managers Club here on "A Field Man's View of the Manager."

Discusses Agency Expenses

PHILADELPHIA, Nov. 16.—Henry Bossert, Jr., manager agency research department of the Provident Mutual Life, spoke on "Critical Items in the Agency Operating Balance Sheet" to the Philadelphia Association of Life Underwriters managers' group. He gave a cross-section view of agency costs. He has been analyzing agency expenses for

a number of years. Among the subjects that he treated were a comparison of old business and new business expense, conservation cost, careful scrutiny of such items as telephone costs and rent, etc.

Tells Legislative Procedure

C. Petrus Peterson, vice-president and general counsel Bankers Life of Nebraska, addressed the Nebraska Association of Life Managers in Lincoln on "How the Legislature Arrives at Its Conclusions." Mr. Peterson served several terms in the Nebraska legislature and has represented insurance interests before that body at a number of sessions. Mr. Peterson expressed the opinion that life insurance through its promptness and activity in cleaning up its own premises and solving its own pressing problems had made government codes unnecessary.

Discuss Problem of Old Agents

The adjustment of old agents to new conditions was discussed by the members of the Life Managers Association of Columbus, O. H. A. Chipman, manager Equitable of New York, presented a paper on the subject, which was discussed by C. R. Eckert, Northwestern Mutual; M. E. Wetherbee, Massachusetts Mutual; W. B. Arthur, Jr., Sun Life; S. K. Coffman, Connecticut Mutual; P. M. Smith, New England Mutual, and President J. W. Ray, Travelers. The association will meet next Dec. 6.

Limits for Applicants with No Earned Income Discussed

(CONTINUED FROM PAGE 1)

quirements for succession duties must be considered extremely hazardous. Even insurance for succession duty purposes is not strictly insurance for indemnity purposes, Mr. Morton said. He suggested that the amount of the succession duty requirements should be the amount limit for insurance to such applicant. He said, however, in case of applicants with modest sized estates, giving sufficient income to live on but requiring succession duties of only a small amount, that the maximum amount of insurance allowable should be \$25,000 or the succession duty limit, whichever is larger. Mr. Morton considers life insurance not a legitimate avenue of investment for individuals owning large estates.

In insuring juveniles, Mr. Morton said, companies are offering insurance based on potential earning power which is as yet undeveloped. Early death of the insured results in payment of a loss for which there is no indemnity justification. Possibility of anti-selection is therefore fairly strong. Medical examination also is less effective at very young ages and the possibility of undetected latent disease, such as tuberculosis, is present to a greater extent than at higher ages.

Mutualization Plan is Likely to Be Approved

DES MOINES, Nov. 16.—Fate of the Royal Union Life in receivership, will be determined here Nov. 20, when, in a hearing in federal district court, Judge Dewey will receive the recommendation of Receivers L. A. Andrew and E. W. Clark that the company be reinsured in a new company to be organized as a mutual by its present general agents.

The general agents protective committee was successful among ten other bidding companies, in having its plan approved by the receivers. The court will either accept the recommendation of the receivers or reject it. The Lincoln National Life was the second choice of receivers.

Pending the hearing, no new business is being transacted. Plans are being made, however, to extensively seek new business immediately after the contract of the general agents is approved by the court. The only former officer to be retained in the new company is B. M. Kirke, formerly secretary, who becomes vice-president in charge of agencies.

Confers with Industrial Men

President R. S. Kohler of the Pittsburgh Life Underwriters Association called a meeting of his officers and some of the committee chairmen the other day to meet with superintendents of the Metropolitan Life, Prudential and John Hancock Mutual. Many of the superintendents have been members of the Pittsburgh association for a number of years. The meeting discussed the expansion of its activities and placing features that would have a special appeal to the industrial company salesman.

Burton on Agency Trip

President A. M. Burton of the Life & Casualty of Nashville is making trips throughout the field getting in touch with some of the leading agencies. He is now traveling through Alabama, Mississippi and Louisiana.

MODERN BUSINESS-GETTING METHODS

Sales Possibilities Brought Out in Analysis of Applications for Life Policies Secured in October

By W. T. PLOGSTERTH

Where is business coming from today?

By way of bringing out certain helpful facts, the Lincoln National Life made a study of applications submitted to it in October. The study involved a large number of applications, Lincoln National agents having written more applications in October than in any month since June, 1931.

In the analysis, group, wholesale and salary savings and juvenile applications were excluded.

The following table divides the applicants as to occupations, setting out the average sized policy of, and percentage of lives in, each group:

Occupation	Aver. Size Policy	Pct. of Lives
Executives	\$7,518	6.1
Salesmen	5,534	5.9
Professional Men	5,239	6.3
Merchants	4,516	8.2
Office Workers	2,764	5.6
Business Women	2,384	14.6
Skilled Laborers	1,893	15.1
Unskilled Laborers	1,741	5.7
Students	1,528	6.7
Retail Store Clerks	1,493	6.1
Farmers	1,401	8.2
Housewives	1,120	8.3
Occupations Unavailable		4.3

Average

Note—"Skilled laborers" include all types of skilled workers such as machin-

ists, electricians, mechanics, as well as such classifications as policemen, firemen, and barbers. "Business women" include all employed women. "Office workers" are made up of male clerks in offices. "Salesmen" are made up of traveling salesmen and soliciting salesmen, such as insurance, real estate and bond salesmen.

It is significant that one-third of all male applicants came from the four most desirable occupational groups; that is, the groups producing the highest average size policy—executives, salesmen, professional men, and merchants—and that the average size policy for these groups was \$5,600! In fact, the average size policy for the salesmen, professional men and merchants was higher than that of a year ago.

Distribution of Applicants By Age Groups Given

There was, however—and this is to be expected—a larger percentage of applications from the men and women in the modest salary or wage classes—the office worker, the business woman, the skilled laborer and the retail clerk.

Perhaps due to a "ladies day" feature by the Lincoln National in October, a large number of business women were written. Further, the average size policy on the life of the business woman this

October was \$400 more than last October.

October applicants by age groups were distributed as follows:

Age Group	Aver. Size Policy	Pct. of Lives
20 and under	\$1,409	11.1
21-30	2,144	35.8
31-40	3,579	29.4
41-50	4,489	15.4
50 and over	3,608	8.3
All ages	2,967	...

As usual, the age groups above 30 produce a policy well above the average in size. In fact, the average size policy for the age group from 31 to 50 was somewhat higher than a year ago.

It is, however, significant that a larger percentage of the applicants written this October fell in the age group of 30 and under than did a year ago. In other words, a larger proportion of the sales, it would seem, are being made to the younger generation than formerly—to those in the age group from 20 to 30. This age group, of course, produces a policy somewhat below the average in size. There was also a considerable decrease in the number of "35s" and "40s" written—in fact only half as many as a year ago. These two factors made for a slightly lower average size policy than was produced a year ago.

The comparison by policy plans follows:

Plan	Aver. Size Policy	Pct. of Lives
Protection	\$3,180	63.2
Old Age Income	4,000	15.3
Long Term Endowment	1,531	9.8
Short Term Endowment	5,671	9.9
Single Premium		1.8

(CONTINUED ON NEXT PAGE)

Studies Prospects



W. T. PLOGSTERTH

The interesting study of the source of applications on this page was prepared by W. T. Plogstherth, director of publicity and field service of the Lincoln National Life. Mr. Plogstherth has had much experience in field training and educational work among agents, formerly being assistant superintendent of agencies. This illustrates results of planned prospecting and time control.

Business Builders

In the complete and varied assortment of selling helps provided by the Company, Guardian Fieldmen have found common sense solutions of many of today's production problems.

Originated and tested in the field, these new and unique business builders are helping Guardian Fieldmen to open the door to sales with marked frequency and regularity.

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Get an Early Call On the Family Budget

Life insurance should be among the first items in the family budget. Salary savings insurance gives it first call. Premiums are paid automatically out of pay.

With free access to employees and the endorsement of the management an attentive agent has a chance to learn actual requirements and render the kind of service that builds a loyal, helpful clientele.

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3-DAY COURSE

Get the "Dynamic Short Course," puts a new man into production at end of three days. Price \$3.00 cash with order. Full refund if complete plans are followed and you are not satisfied.

Insurance R & R Service
Indianapolis, Indiana

Study Sales Possibilities by Analyzing Applications

(CONT'D FROM PRECEDING PAGE)

Two-thirds of all applications continue to be for protection plans with about one-third of all applications on the life plan.

The plans providing income at retirement produce a particularly satisfactory average size policy—larger than the protection plans and much larger than the long term endowment payable in a lump sum.

One of the most surprising developments was the fact that one-half of the applicants written in October owned no life insurance whatever. This increase may be partially due to the increased percentage of applicants in the younger age groups. Undoubtedly, however, a planned preliminary prospecting program carried out in September developed a large number of entirely new prospects—in other words, Lincoln Life men were apparently not content to continue to devote so much time to a group of old prospects that had already been frequently solicited.

From such a study as this one will, of course, form his own conclusions but it would seem that certain significant facts stand out.

1. Although not quite as many applications are coming now as formerly from the four most desirable occupational groups—executives, salesmen, merchants and professional men—these groups continue to produce by far the largest average size policy and this average continues high.

2. A larger percentage of applications are now coming from the worker in the modest salary or wage class—the office worker, the business woman, the retail store clerk and the skilled laborer. The number from business women is particularly large.

3. The age group from 31 to 50 continues to produce the most desirable prospect. Those in this age group are buying just as large policies as they did a year ago but a somewhat smaller percentage of the applications come from these groups.

4. A larger proportion of sales are being made to the younger generation than formerly—in the age group of 20

to 30. While the younger man has suffered wage cuts, he is looking forward. The depression has not "licked" him. Further, his standard of living has perhaps not been as high as that of the older man so that if any one has a margin available for insurance, he is apt to have it. Then too he is in most cases working for a salary or wage.

5. Settlement can be secured. Of the October applications 54 percent was binder business.

6. There are plenty of people with no

life insurance whatever. Brand new prospects can be found. More than one-half of the applicants owned no insurance whatever. The planned energetic program of prospecting in September was undoubtedly largely responsible for more applications being written in October than any other month for two and a half years. As a result of this prospecting activity, Lincoln National Life men did not waste too much time on repeat calls on the man who should be a prospect but apparently isn't.

Purchasing Power of Dollar Viewed

"Experience has proven that life insurance, particularly when its benefits are paid on a monthly income basis, is the best protection against changes in the purchasing power of the dollar," declared Prof. W. B. Bailey, Travelers' economist, at the Peoria Life Underwriters Association's sales congress. "The reason for this is, you pay your premiums over a period of years—some of the dollars you pay in premiums buy more than the dollars you pay at other times. But if you make these payments over a period of 10, 20 or 30 years you will find these dollars average up and the same is true with the policy benefits if they are paid on an income basis. Some years the dollars received buy more; some years they may buy a little less. Taken over the entire period the dollars received in benefits are likely to have the same average purchasing power as the dollars taken in premiums. Of course, if the experiments which are being undertaken should succeed in stabilizing the purchasing power of the dollar, it would be a great thing for life insurance policyholders. A man in his thirties could then arrange for a definite retirement income with a feeling of assurance that when he reached 60 or 65, this income would buy approximately as much as it would at the time he bought the policy. This has not been true in the past under the old gold standard. The buying power of our dollars has varied greatly at different times.

Change in Purchasing Power

"In the early part of this century a family could live in comfort on an income of 15 or 20 dollars a week. In 1920 it would have required more than twice this income to provide an equal standard of living. But even with the variations in the purchasing power of the dollar which occurred in the past, life insurance has proven a very effective hedge.

"Suppose a man bought a policy in 1900; it matured in 1920 for \$100 a month. During the first years of that policy he paid his premiums in dollars that had a very large purchasing power. During the last year, the purchasing power of the dollars he paid in premiums had shrunk to a marked extent.

"During the first year or two that his income of \$100 a month was paid prices were so high that it left him with little margin for luxuries. During the last few years a man could live very comfortably on an income of \$100 a month.

"Had this man bought a \$1,000 bond, for example, he would have paid the full price of that bond in big dollars. Had that bond matured in 1920 he would have received the full proceeds in small dollars and he would have actually received less than 50 percent

of the purchasing power he paid for his bond.

"In the case of life insurance, however, he paid average dollars for the period 1900 to 1920 and he is receiving in benefits, average dollars for the period 1920 to 1933.

"In times when there is some question of the future value of the dollar, and a man is wondering how best to invest his money, life insurance solves that problem. If he follows the advice of some economists, who at this time advise the purchase of common stocks, he takes two chances. First, that the companies in whose securities he invests will continue to prosper; second, that the dollar continues to decline in value. If he happens to pick the wrong stock or if deflation continues and equities continue to shrink in value, he is out of luck. If on the other hand, he selects bonds he is also gambling on the future of the issuing corporation.

Results Will Average Up

"If he chooses life insurance, however, he pays for it in average dollars over a period of years and either he or his beneficiary can have the proceeds paid on an income basis (which means they will be paid in average dollars). As a consequence, the average value of the dollar he pays in premiums is almost certain to equal the average value of the dollar he or his beneficiary receives in benefits."

\$1,000 to \$1,600

Ordinary Life Insurance at An
Average Cost GUARANTEED
OF ONLY \$14.00 per \$1,000

Of Course Issued in Larger Amounts

All Premiums Returned
in addition to face of policy
in event death before age 60

FULL FACE THEREAFTER
AND PREMIUM REDUCED 20%

Example

Original cost, age 30, \$31.40 per
\$1,000 to age 59; \$17.19 per \$1,000
thereafter.

If you reside in Ohio, Illinois, Indiana,
Kentucky, Pennsylvania, Tennessee, West
Virginia or the District of Columbia,

Write for Samples and Particulars

This is one of the many unique contracts
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FRANK M. PETERS, President
CINCINNATI, OHIO

In Miami Beach its The Fleetwood

Opening for the Winter Season
January first. European Plan.

An Exclusive Winter Resort Hotel, on
Biscayne Bay, with Ocean Bathing, a
Private Dock and every facility for the
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